



# **Preparing a Strategic Business Plan**

## **Handbook**

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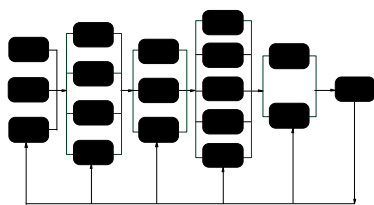
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## Chapter 1

# INTRODUCTION

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### Overview

Good, sound, consistent Morale, Welfare, and Recreation (MWR) business planning at the installation level is mandatory for effectively focusing an MWR organization's limited resources on its most important objectives.

Without a coordinated strategic business plan, many installations do not base their plans on reasonable and objective interpretation of pertinent data. Symptoms of uncoordinated or poorly conceived planning efforts include proposals for construction projects that are rejected by validation studies and projections for steadily increasing resources when the supported population is significantly declining. In some cases, where plans are developed, they seem more of a one-shot, meet-the-regulatory-requirement effort than an ongoing process that managers find useful. The installation MWR organization's objectives are often stated in such general terms that it is not possible to evaluate how well they are being accomplished. In some instances, planning is conducted primarily to justify decisions that have already been made, rather than being the basis for decisions.

Most such planning deficiencies result from a lack of resources and commitment to planning, and a need for more specific guidance from higher headquarters. Major Army command (MACOM) headquarters require each installation MWR organization to have its own strategic business plan. This handbook and its companion, the *MWR Strategic Business Planning Guidebook*, provide a proven tool for developing, implementing, and maintaining a useful strategic business plan for installation management operations. The handbook will be revised periodically, on the basis of comments from installations, to make it more useful and effective in developing and reviewing MWR strategic business plans. Send comments and suggestions to your MACOM MWR management team or the Marketing Division at the U.S. Army Community and Family Support Center.

Planning is essential for managers at all levels, yet many wrongly perceive it as a costly, time-consuming, and difficult activity that provides only a marginal return on investment—in other words, a waste of time. But the fact that decisions can be made without any planning is no revelation; if it does not matter what is to be achieved or what direction is to be followed, any decision will be valid. As it is often expressed, “If you don’t know where you are going, any road will take you there.”

To amend these misperceptions at the outset, we will review some basic tenets of good planning and relate them to personal experiences. Planning is simply the process of deciding what to do and how to do it. With a properly conceived and documented plan, the reason for the

plan should be self-evident. While some planning schemes may seem complex at first, the basic process is actually simple and straightforward.

## **BASIC PLANNING MODEL**

It is important to maintain simplicity in the planning process. Forget elaborate schemes and, for guidance and focus, concentrate on a basic planning model with six steps:

- ◆ Objectively sense the environment.
- ◆ Gather and analyze pertinent and objective data.
- ◆ Identify and evaluate alternatives.
- ◆ Decide what to do.
- ◆ Implement the decision.
- ◆ Monitor the performance and take corrective action if needed.

Many people seem to instinctively understand and apply these sound, basic planning steps in decisions affecting their everyday lives. Although this latter type of planning is not formal or written (and is basically short-term), it does follow a step-by-step process that results in good, informed decisions.

Here is an example of an everyday situation in which these basic planning steps are intuitively applied to arrive at a sound decision:

*In sensing the environment*, a car owner discovers that the tires on the family car are worn and thinks that the tires are worn to the point that they are no longer usable.

*In gathering and analyzing data*, the car owner takes the car to a tire shop to get an evaluation of the tires' condition. The shop owner confirms that the tires are worn and are no longer serviceable. The shop owner inspects the car and determines that the front suspension is out of alignment, which caused excessive tire wear.

After examining several newspaper advertisements, the owner realizes that there are many makes and models of tires appropriate for the automobile. *In identifying and evaluating alternatives*, the car owner compares cost and performance characteristics—such as tread wear, speed and temperature ratings, and warranties—prioritizing the features that are most important.

The car owner *decides* that the tires must be replaced, establishes an initial objective of replacing them on the following Saturday, and determines the make and model of tire that is most appropriate.

*In implementing the decision*, the car owner purchases the tires, has them put on the car, and has the front suspension realigned.

Thereafter, the car owner *monitors impacts and performance* of the tire pressure and the wear pattern of the tires, and has them rotated regularly.

The only real differences between this example and planning installation MWR needs is the number and scope of items addressed in each step and the need to document the process and results.

Most people would say that what the example describes is merely common sense: “How else would someone decide what tires to purchase? How else could decisions be made? Gather and evaluate good data, and decide what to do. It’s common sense!” It may seem to be common sense, but there are many digressions from this simple planning model. At some point, elements of common sense are often ignored when they are needed the most. This happens in both business and personal environments. In the purchase of stock or investments, people are more receptive to “hot tips” than they are to following the rigorous research that leads to sound financial decisions. The human tendency is to decide by intuition or gut feeling and to virtually ignore objective data. People are also reluctant to continually reassess the basis for their decisions and make necessary adjustments. These and other problems of poor planning can be overcome by rigorously adhering to the simple step-by-step planning process.

At this point, the planning *process* should be distinguished from the resulting *plan*. In many organizations, both public and private, planning is the weak link in management schemes. Most organizations have a plan, but the process that leads to it is often deficient. If the basic process for developing a plan is flawed, it will be sheer luck or accident if its objectives are achieved.

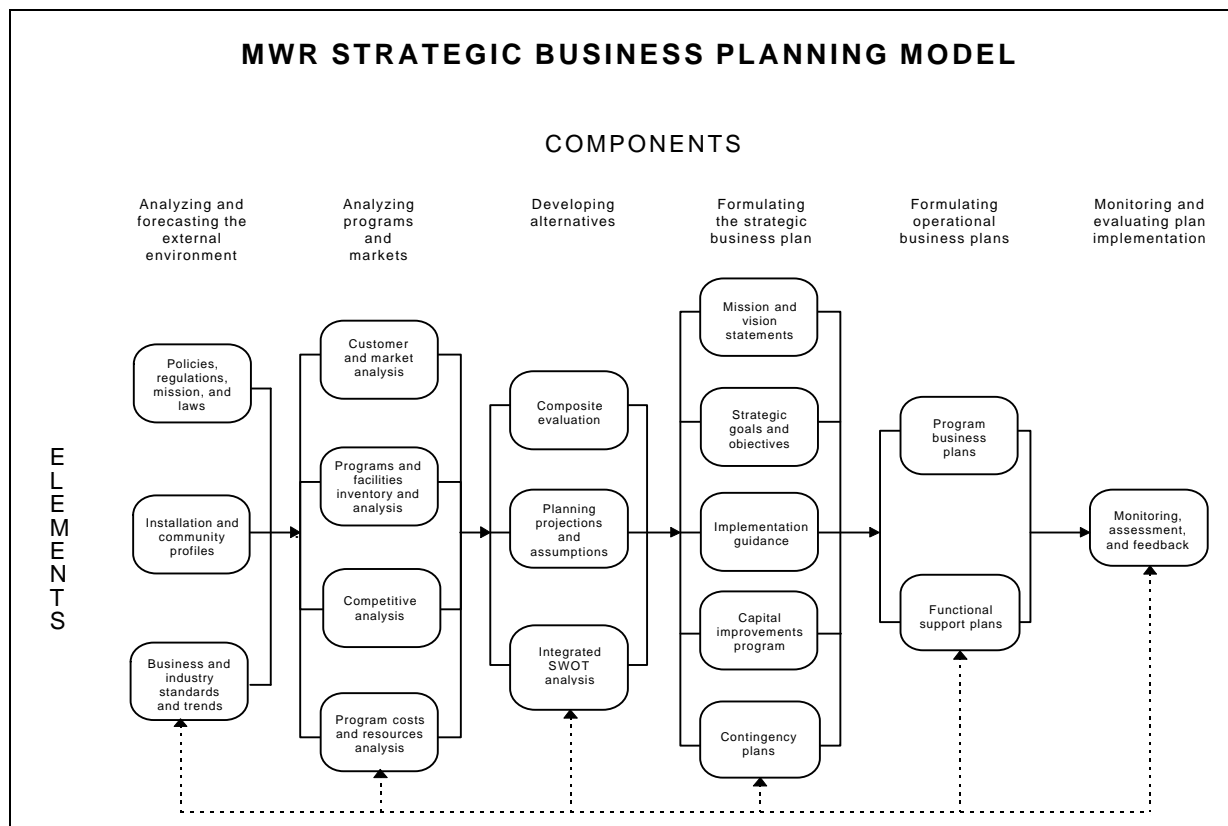
## **THE MWR STRATEGIC BUSINESS PLANNING MODEL**

The steps described as a basic planning model constitute a method that has been expanded in the MWR Strategic Business Planning Model (Figure 1-1), recommended for use at the installation MWR level. These steps make up the model’s six planning components, which are further divided into elements appropriate to installation MWR interests and concerns. The first four components lay out the strategic portion of planning necessary for developing an installation’s strategic business plan. The model then describes components for implementing the plan (formulating operational business plans) and assessing it (monitoring and evaluating plan implementation).

## **NEED FOR FORMAL WRITTEN PLANS**

Some may question the need for a comprehensive written plan approved by the installation leadership giving overall direction to the organization. Yet overwhelming evidence shows that the benefits of such a strategic business plan far outweigh the costs. The following are some of the major benefits.





**Note:** SWOT = strength–weakness/opportunity–threat.

**Figure 1-1**

Although top business managers usually have a vision of where to take their organization, a written plan is more easily and effectively communicated to those who must live with and support the plan. It is not always easy to see someone else's vision of the direction of the organization. When the plan is in writing, it becomes a benchmark for action. An example of an MWR Strategic Plan Executive Summary is included in Appendix A.

Developing a strategic business plan requires managers to formally articulate their plans and effectively share their vision with others. This process of sharing, explaining, and defending the plan sharpens it. Its intent becomes clearer. It allows two-way communication. In fact, the plan may be modified based on comments and suggestions.

The formal plan serves as a permanent record and can be used as a guideline and rationale for important decisions. It can provide answers for important organizational decisions, such as identifying the type of personnel to hire, allocating resources for automation, adding new programs or services, and determining the disposition of existing programs and services. Each time a decision is contemplated, ask how the decision will support or affect the plan. In many cases, the plan dictates what tough decisions must be made and serves as the justification for such decisions.

The formal plan orients new members of the organization and provides stability for current members. People come and go, but the direction of the organization should not come and go

with them. The plan provides stability regardless of who is in power. When new employees are recruited, managers can show them the plan and discuss how they fit in with the direction of the organization. All can see themselves as a member of an important team. This development of cooperation, coordination, and unity of effort is extremely important. People must be able to see how the whole picture fits together, and a formal strategic plan allows them to do that.

In addition, it is much easier to perform evaluations if what has to be accomplished is written. Subjectivity is reduced when supervisors can look at what was specified to be accomplished and judge how well it was actually done. The formal written plan reduces disagreement over what was prescribed and what was accomplished.

## **BARRIERS TO SOUND PLANNING**

Although developing a formal, written business plan offers many benefits, installations will face nearly as many barriers to the process. The organization must recognize and address these factors in open discussion and resolve problems early. Remember: to produce the most benefits, the entire organization must be committed to the plan and the planning process.

Planning will consume varying amounts of time, money, and effort. Many organizations view planning as a luxury that deserves resources only in bountiful times, rather than as an absolute necessity for maintenance and direction. But virtually every successful organization would dispute this premise. In fact, when resources are scarce, the need for sound planning is even more acute. While the initial financial cost will be the greatest at organizations that have not already done much planning, they should view the expenditures as investments in their future rather than unnecessary burdens.

Many managers say they are so busy that no time is available for planning. Often, however, people spend too much time reacting to their environment, rather than being proactive and anticipating change—which is the essence of planning.

Some managers think planning is futile when priorities change so rapidly that plans soon become obsolete and meaningless. In such a view, a plan is a rigid, unyielding document cast in stone. This approach is not the one proposed in this handbook. As conditions and forecasts change, the plan is amended to account for the new, projected environment.

Strategic business planning requires a lot of information, and people often are confronted with “information overload.” They feel overwhelmed when the information is disorganized and its purpose is obscure. This barrier can be overcome by keeping information down to what is absolutely necessary and by using suggested worksheets and a computer to organize the data.

People may view planning as a necessary evil rather than the foundation of important organizational decisions. This most often occurs when the plan is developed and then left to languish on the shelf. The plan must be used; if it is not being used, it is probably deficient in some respect. If so, it must be revised to reflect what the organization really wants or needs to accomplish, and the responsibility for achieving objectives must be assigned to specific people or organizations. Refer to the plan in staff meetings and when making decisions. Tie the ac-

complishment of plan objectives to appraisals of management performance, and reward those who implement their portions.

## **PROJECTED MWR OPERATING ENVIRONMENT**

The operating environment for military MWR programs has undergone many changes over the last several years. As difficult as it has been, however, the future may hold even more difficulties and challenges. Some of the key hurdles are reviewed below. As will be apparent, planning becomes critical to meeting the challenges and overcoming the problems.

Every new administration proposes economies and efficiency in government activities. In the past, these political proposals seldom seemed to materialize; however, this situation seems to be rapidly changing. The budget deficit will make these pronouncements absolutely necessary. One example is the Government Performance and Results Act, which requires government agencies to justify their budgets based on performance and results. A good business plan will allow installations to do this. Congress is disposed to cutting costs as evidenced by the Deficit Reduction Act, and the military heads the list of potential targets.

Besides such pressures, the military is facing two additional issues over the next several years: downsizing and a new support concept. Reducing the size of the military in the post-Cold War era means a smaller force with fewer bases and the potential for reduced MWR support. The perception is likely that there will be less need for benefits to attract and retain a large military. The entire military establishment is moving quickly to a new form of appropriated fund (APF) support for installation activities. This concept, the Defense Business Operations Fund (DBOF), will require all installation activities to become business-oriented or perish. A good business plan can demonstrate a strong business orientation.

Installation commanders are increasingly being forced to choose fewer priorities for resource allocation from among many proposed by various directorates. The directorates that can most strongly validate their program planning, and strategies are the most likely to receive the resources they request. The strategic business planning process can provide documentation firepower for persuading an installation commander to view MWR-suggested priorities favorably.

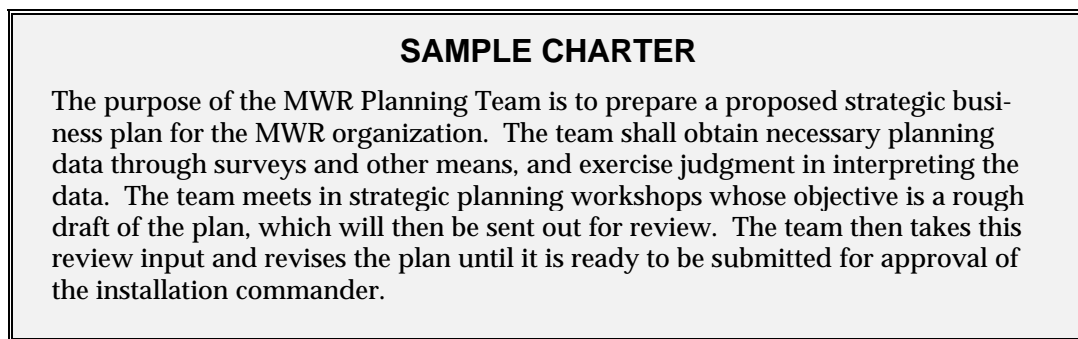
Even as military resources are shrinking, so are those of the civilian communities, with local governments also trying to be more accountable and efficient. With sound business research and planning, MWR managers can be more persuasive when negotiating with local governments and businesses to form partnerships that will provide mutually beneficial services and programs to both the installation and civilian communities. Government partnerships and corporate sponsorships can enhance and support MWR programs, but local governments and the private sector are also facing dwindling resources. With solid research and planning, MWR can propose innovative strategies that will appeal to local governments and corporate sponsors when competing with other worthy causes for increasingly limited dollars.

The MWR programs that demonstrate strong program validation and sound strategic business planning are the most likely to be retained. There is a dual mandate in the provision of MWR services: first to provide programs and services that respond to patron preferences, and second to minimize the cost of those programs and services. On the first point, the tenets of sound business planning and practice apply, regardless of whether the programs are expected to gen-

erate a “profit” or whether they are viewed as indispensable community services to be subsidized by the taxpayer. A well-developed business plan can help determine the changes needed to make individual activities more successful, such as identifying and eliminating duplicate and outdated programs and services. These actions will help put resources where they will pay off the most. With respect to the second mandate, planning can help improve efficiency and pinpoint accountability. It can help refocus priorities and ensure survival during these turbulent times. What is needed is a renewed commitment to good strategic planning and follow-through, as outlined in this handbook.

## GETTING STARTED

As a starting point, each installation should form an MWR Planning Team, preferably consisting of the MWR organization director, deputy director, and other senior MWR managers. As MWR organizations vary considerably, these senior managers may be at the division, branch, or program level. In this handbook, all such managers are referred to as “program managers.” Management staff below the program manager level are referred to as “activity managers.” The sample charter in Figure 1-2 can be tailored to meet local installation needs.



**Figure 1-2**

The commander and installation staff should be notified that the MWR planning process is beginning. Notice can be a memorandum or an announcement at staff meetings. The key here is to ensure that pertinent staff and command are aware of the planning effort.

Prior to the initial MWR Planning Team meeting, all members should receive a copy of this handbook and the companion guidebook.

- ◆ This handbook was created to provide MWR Planning Teams with an easy-to-follow road map for efficiently and effectively preparing their MWR strategic business plans. Team members should read this handbook and then use it as a resource throughout the planning activities. Full-page blank forms for the planning process are in the back of this handbook at Appendix B. In addition, users may tailor the method presented here to their own MWR organization’s needs and capabilities.
- ◆ The guidebook can then serve as management’s primary reference for developing the initial strategic business plan and conducting periodic reviews required to keep it updated. Sample portions of recommended forms and worksheets filled in with sample data are presented throughout the guidebook to help the user understand the process.

The structure of the guidebook parallels this handbook and the planning model in Figure 1-1. All six planning components entail individual elements that can be accomplished incrementally over time without detracting from the overall planning process. For example, if a deficiency is noted in an element, it can be programmed for further study, while the planning process continues using the best available information. When the study is complete, the plan can simply be updated.

Users of this handbook should keep their efforts reasonably simple, particularly in initial strategic business planning efforts. Developing the initial plan will instill in MWR personnel familiarity with, and confidence in, the concepts described here and provide the experience necessary to pick and choose variations of method and degrees of complexity appropriate for their installations. While the planning model described in this handbook is recommended for the MWR Planning Team, several others also are available for developing strategic business plans.

The first order of business at the initial team meeting will be to discuss the planning process and to finalize the team charter for the commander's signature. A recommended agenda for the initial meeting is provided in Figure 1-3. At the same time, responsibilities should be assigned to team members for internal activities, such as gathering and analyzing data that will be used in the plan. The team should establish its initial schedule for developing the strategic business plan.

## **EVALUATING THE CURRENT PLAN**

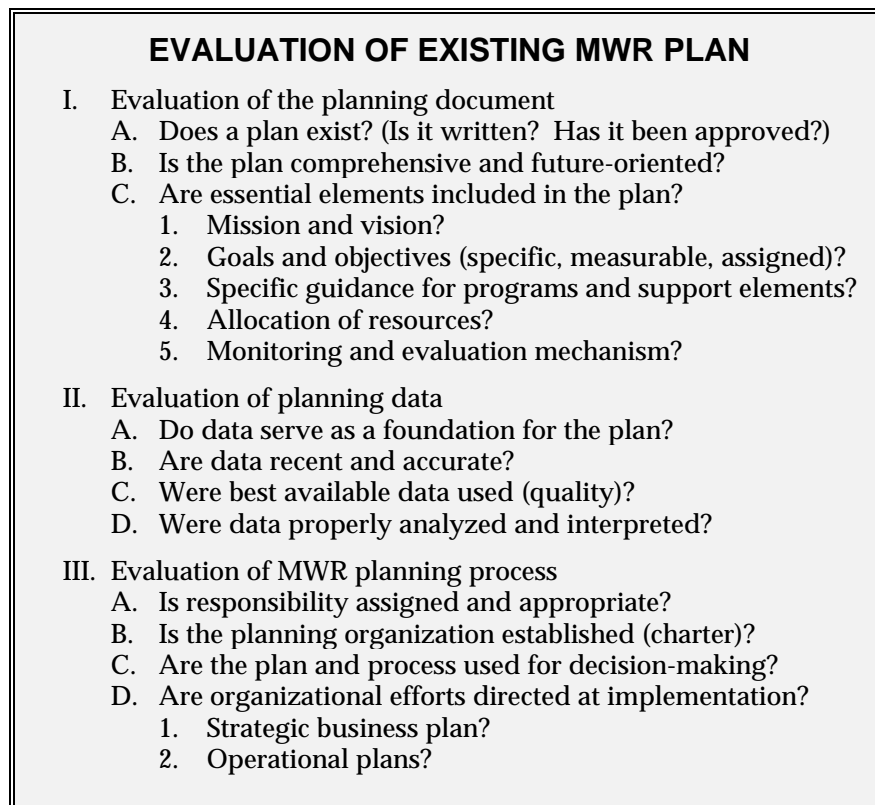
Planning is a cyclical process. As such, there is no specific starting and stopping point. If an organization has been operating for any length of time, it has accomplished some planning,



**Figure 1-3**

whether implicit or explicit and whether good or bad. Most installations have established some form of a planning process for the MWR organization, and several have produced credible plans that are being effectively implemented. Existing planning structures should not be discarded merely to conform to the planning scheme outlined in this handbook. Rather, current efforts should be reviewed, revised as necessary, and built upon, capitalizing on the desirable elements already established. This assessment process should highlight any deficiencies in the current planning process and plan, and should facilitate corrective actions.

It is highly unlikely that any installation (or company, for that matter) will ever have the idealized strategic business plan. There will always be a need for more and better information, more accurate forecasting, and a more integrated and timely process to evaluate data. The future is unknown and will always have to be anticipated with the best data available at any particular time for making assumptions and projections. These constraints do not lessen the need to develop the best possible process and plan. Figure 1-4 provides a general scheme for evaluating the current installation MWR plan and planning process.



**Figure 1-4**

The installation MWR strategic business plan must be a comprehensive document that is oriented to the future of the organization and physically available to everyone. Further, to support the goals and objectives of the entire organization, short-range, individual operational plans must be driven by the comprehensive needs of the organization over a longer period. The essence of being “comprehensive” is that the plan encompasses all aspects of the MWR mission.

If a plan exists, the next step is to evaluate the contents of the plan. As indicated in Figure 1-4 there are five essential portions.

First, the plan must provide a succinct statement of purpose (mission), and it is highly desirable that it provide a vision of what the future organization will be like if the plan is fully implemented.

Second, the plan must state what the organization seeks to accomplish over the planning period (goals). If these elements are lacking, the rest of the plan will probably not be built on the proper foundation. The plan must contain specific objectives to be achieved over the planning period and clearly tie them to the organizational mission and goals. The objectives must be measurable so that their achievement can be monitored and evaluated. Responsibility for accomplishing the objectives must be assigned to an organizational element with a projected completion schedule. Unless objectives exist with these features, it is doubtful that the existing plan will achieve desired results.

Third, the plan must contain strategies and policies that provide guidance on the objectives and the framework under which the MWR organization should operate. This guidance is provided in two levels: for the organization as a whole and for specific operating programs within the organization. If this level and type of integrated guidance is not in the plan, efforts to achieve the objectives may have undesired effects

Fourth, the plan must provide guidance on how to allocate current and projected resources. This allocation must be tied to accomplishment of the objectives. At a minimum, the plan must specify major expenditures over the planning period.

The fifth and perhaps most crucial portion of the plan is a formal mechanism for monitoring and evaluating implementation and for updating the plan. As the environment and organization change, the plan must be updated to capitalize on unforeseen strengths and opportunities and to deal with new weaknesses and threats. Without this mechanism, the plan will quickly become obsolete and will cease to be the guiding light for the organization.

If a plan exists and adequately addresses the major elements of a strategic business plan, the foundations for the plan should be reviewed to ensure that data are accurate and current, and that assessments and projections are based upon that data. Because new studies with useful data continue to become available, determine whether the data used in developing the plan are not only still valid but also the best obtainable. In virtually every planning situation there will be a need for more and better data, but the lack of better data should not stop the planning process. If data deficiencies are identified in the current plan and better data are not available, special studies may be required to obtain the data. Accurate and timely data are only as good as the analyses that interpret the data for use in establishing the operational situation and in

formulating planning assumptions and projections. Ensure that planning assumptions and projections flow logically and reasonably from the basic data.

At this point, there should be a good idea of the quality of the planning document that may exist for the MWR organization. The final step in the evaluation procedure is to look at the process for producing the strategic plan. There may be rare instances where a good strategic plan results from a deficient planning organization and process, but the practical benefits of such a plan could be expected to be short-lived. Without a formal planning function in the organization, planning efforts are fragmented, and responsibility for the plan is often assigned to staff with little authority.

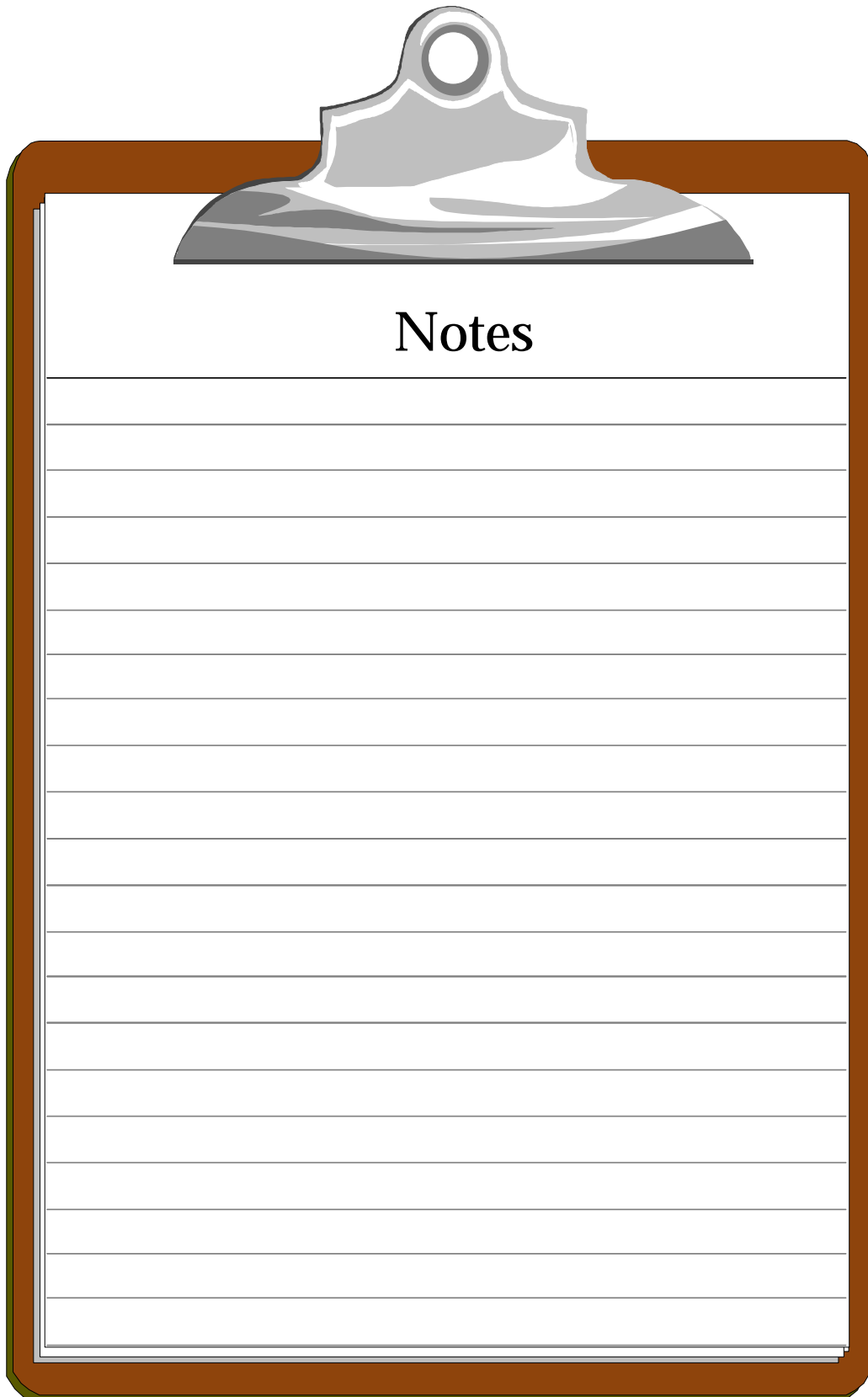
Identify who is responsible for the strategic business plan. If this responsibility is assigned below the MWR Director, it is too low in the organization to be effective. Determine whether a strategic planning committee has been formed and evaluate its composition. Whatever its name, the committee must formally exist (have a charter from the installation commander), and its membership must include key MWR managers and may include key staff from the major installation directorates. Evaluate how the committee operates and the procedures for developing and updating the strategic plan. There should be provisions for involving first-line managers in the process and a calendar of actions with assigned responsibilities. This assessment process should not take a great deal of time or resources; yet for most installations, even where good planning has been accomplished, it is time to revitalize the planning effort.

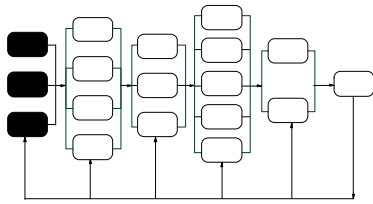
## **Chapter Summary**

The strategic business plan must be developed within the organization. Consultants can be used to develop special studies, to facilitate work of the planning committee, and to assist the staff in other areas of planning. However, the people in charge of the MWR function and programs must actually formulate the plan, since they will be the ones charged with implementing it. The stage should now be set for developing the strategic business plan.

The next six chapters deal with actually developing and implementing the plan. Adhering to the proposed scheme should result in a plan that will take the MWR program from where it is now to where it would like to be in the next five years.



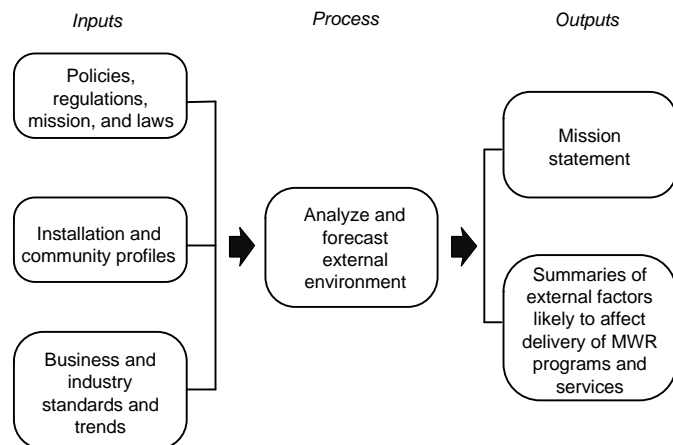




## Chapter 2

# ANALYZING AND FORECASTING THE EXTERNAL ENVIRONMENT

The first step in strategic planning is to look at aspects of the external environment that may affect future actions within the MWR organization. Assessing the external environment is the one factor that distinguishes strategic planning from operational planning. This perspective is important because MWR managers have little or no control over numerous external forces that significantly affect internal operations. Proper planning cannot be conducted in a vacuum. This analysis involves comprehensively and systematically examining significant factors in the outside environment and their effects on the MWR organization.



Forecasting the external environment is nothing more than an educated guess based on good judgment and the best available data. The idea behind the forecast is to reduce uncertainty, and hence risk, as much as possible. Yet even private businesses that spend considerable sums of money on building a forecast still are not able to achieve certainty. It is pointless to postpone indefinitely the remaining steps in the strategic business planning process because of a desire to reduce uncertainty to near zero. The cost of trying to do this and the added delays are not worth it. However, careful and thorough analysis should be prepared, using experienced judgment with reasonably available data.

The idea behind this analysis is to identify existing trends in various external sectors and speculate about how these trends will continue during the planning period. Suggested sectors for analysis of MWR activities are the elements of this component. One method of establishing trends is to look at what has happened in the past and construct a trend line. This technique is valid if the factors causing the trend in the past are likely to continue affecting it in the future. Another method for predicting a trend for strategic planning is to use a group of knowledgeable people, from either inside or outside the organization, who have a good idea of what is going on in the external environment. Consensus of such groups has proven to be as accurate as other, more sophisticated methods.

Information resulting from forecasting the external environment should be recorded in a format that will be useful in subsequent planning steps. The suggested method is to classify the information as either *opportunities* or *threats* with respect to the MWR organization. *Opportunities* are factors in the environment that provide, or are likely to provide, advantages to the

MWR business; *threats* are just the opposite. (Another source for “opportunities and threats” is the Competitive Analysis subsection of the next chapter.)

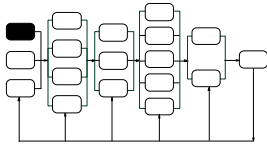
A series of four sample worksheets for classifying and recording these opportunities and threats are in Appendix A. Forms 2-1 through 2-3 provide a worksheet for each of the three elements of the analyzing and forecasting the external environment component, and Form 2-4 is the Environmental Analysis Summary Worksheet to be used for the MWR organization. When summarizing the organization’s opportunities and threats, it should be recalled that what constitutes a threat to one program may well be an opportunity to another. For example, a projected increase in installation population may be viewed as an opportunity by the club system to generate additional revenues; however, it may be viewed as a threat to the child care program that is at capacity.

The following are examples of external opportunities and threats:

- ◆ Opportunities
  - Increased access to advertising revenue
  - Increased customer demand for family-centered activities
  - Continued growth in personal fitness
  - Growth of retired population
  - Strong support for “quality of life” issues from the chain of command
  - Partnering options for athletic league with the off-post community
- ◆ Threats
  - Reduced appropriated fund support for MWR activities
  - Increase in off-post competition for family-dining restaurant business
  - Growth of in-home delivery services for fast food
  - Reduced interest in court sports (racquetball, tennis, and squash)
  - Environmental constraints on trap and skeet range operations due to lead contamination
  - Construction of desirable off-post housing, which is moving primary users of MWR activities farther away.

The importance of specific elements of the environment will vary by location and mission of the installation, but the general components of the outside environment are similar. Analysis of the external environment should be a continuous process, not just a one-shot effort during the formal strategic planning process. The strategic plan must be realistic about the operating environment for there to be reasonable expectations the plan will be implemented. This means that the organization must be willing to look outward before it looks inward. Sometimes it is difficult to change this inward perspective, since the day-to-day job of managers fosters a here-and-now orientation; yet the external perspective must be emphasized at the outset of planning.

The plan will seek to capitalize on opportunities and deflect or minimize threats. Final approval of the analysis should rest with those responsible for the strategic plan, the MWR Planning Team. The team can be aided by outside sources and consultants, if necessary.



## Policies, Regulations, Mission, and Laws

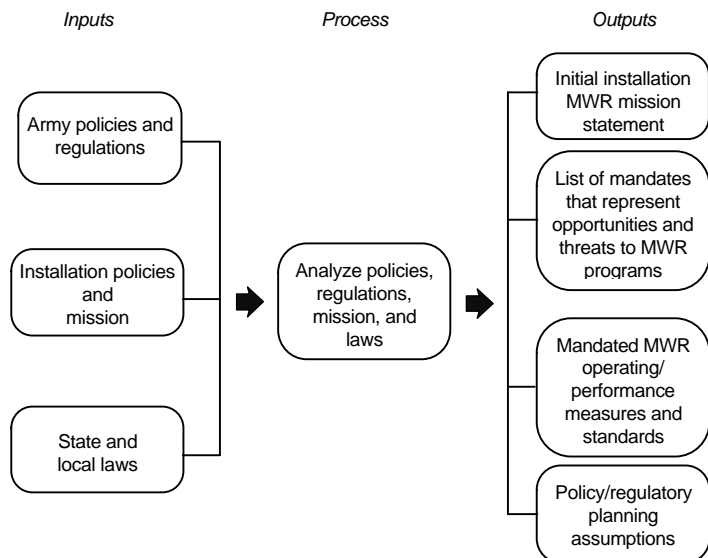
The objective of the policies, regulations, mission, and laws element is to ensure that the MWR program is operating within established policies, regulations, and laws; to identify potential new requirements; and to assess the opportunities and threats presented by these requirements. Although many regulations and laws at all levels specify virtually every aspect of the business environment, the focus here is on those that directly affect installation MWR programs. These are grouped here as Army policies and regulations, installation policies and mission, and state and local laws.

### ARMY POLICIES AND REGULATIONS

The bulk of Army policies regulating MWR programs are contained in Army Regulation Series 215. Other regulations applying to individual program areas should also be considered.

Emphasis in this section should be on those aspects of the regulations that cause divergence from operating in the same manner as a competing business. For example, the installation MWR program has a virtual monopoly on providing MWR services; other business ventures are allowed to operate on the installation only if clear economies can be documented. This is a definite opportunity. On the other hand, the MWR program must operate under restrictive hiring and firing practices and are sometimes required to provide programs that lose money. These are definite threats.

Two significant documents covered in this element are The Army Plan (TAP) and the program and budget guidance (PBG). TAP provides goals and objectives the Army seeks to accomplish over the planning period that MACOMs and installations are to implement. The PBG allocates to MACOMs resources that are further allocated to installations through their budget systems. Both the PBG and MACOM systems contain resource allocations and program guidance on how resources are to be used.



The Department of Defense, Department of the Army, and MACOMs issue a variety of policies and other guidance. These documents normally provide either interim policies before they become part of regulations or guidelines to be used as the organization sees fit. For example, FORSCOM has issued guidance for operating certain “revenue-generating” (business) programs that reflect such items as labor cost versus revenue ratios, cost of goods versus revenue, and other performance yardsticks.

## **INSTALLATION POLICIES AND MISSION**

Each military installation is assigned a mission that dictates what is to be accomplished. Although this mission statement is normally written in general terms, it is comprehensive in scope. It usually includes the major units and tenants to be supported and assigns responsibility for one or more geographical areas. That mission influences what MWR programs can be provided and how they are provided. Installations with training missions and transient populations will require a different mix of MWR programs than those with a stable “home” population. This analysis also considers how the assigned mission might change in the future and assesses potential impacts.

## **STATE AND LOCAL LAWS**

The state and local community provides the installation MWR managers with a number of issues to consider: laws governing personnel (income tax), mandates affecting business operations (liquor and gaming rules), and environmental concerns (wetland management, noise abatement, and traffic and parking restrictions). Local ordinances and laws deserve close scrutiny, even though not all are enforceable on a federal installation. These laws deserve attention because they reflect the legal framework in which MWR off-post competitors operate. Through them the planning team can appreciate the competitors’ perspective, and identify opportunities for providing MWR programs and services, as well as threats to doing so.



The size and composition of the community population is important in two respects. First, the size of the current and projected community population relative to the installation population will indicate general dependencies for leisure and community support services. A relatively large community population will demand more and diverse MWR-type services from industry and government. This may provide opportunities for cooperative arrangements with external partners to meet installation MWR needs. Second, some installation MWR programs are available to the local population and that participation assists in support of other MWR programs.

Other community demographic information that will influence MWR programs is life status and income levels. Demographic information on the community is generally available from sources such as planning agencies, local government, chambers of commerce, and special studies.

## **LAND USE AND DEVELOPMENT DATA**

The type and pattern of development, both on the installation and in the surrounding area, will affect MWR delivery systems. It is important to know where the installation and community populations live and work, and the relationship of those areas to MWR programs and services. At a minimum, a map should be prepared that reflects current and projected family and singles housing areas and apartments, major employment areas, major recreational areas, and MWR-type facilities. This analysis should include the transportation network that links these areas. The ability of the supported population to reach local and regional MWR program offerings is crucial to their participation. These types of information are available from the installation master planning office and from local and regional planning agencies.

## **KEY PHYSICAL ATTRIBUTES**

Key physical attributes of the local and regional area will influence the types of MWR programs that will be appropriate and feasible. These attributes include location, natural resources and features, climate, and environmental quality. The location of the installation relative to civilian communities and the regional area may dictate the nature and scope of some MWR activities. It will certainly influence the supply and demand for leisure pursuits. Isolated or remote installations may not be able to offer the scope and diversity of MWR programs that can be provided at other installations. At the same time, such isolated installations may have more demand for installation-provided MWR services and will be better able to justify the need for specific programs than installations in or near major metropolitan areas.

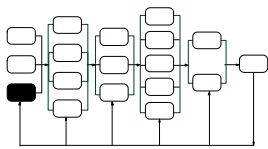
The availability of certain natural resources and features may either promote or restrict certain MWR programs and services, and is closely related to location. The availability of surface water allows water-based recreational activities; forests and mountainous areas promote outdoor activities such as hiking, hunting, and picnicking. The local climate should also be analyzed in the same terms. Mild climates with long summers (favoring outdoor activities) will dictate different MWR programs and opportunities from those in areas with long, harsh winters (favoring more indoor social and recreational programs). The overall environmental quality should be assessed in measurable terms customarily used to define the physical quality of human habitat: air quality, water quality, land quality, and physiological factors (noise, vibration, odor, and disease). Information on these aspects is available from local health agencies, environmental regulatory agencies, and planning departments.

## SOCIAL AND CULTURAL ATTRIBUTES

The social and cultural attributes factor considers major social values and attitudes toward the military installation and installation provision of MWR programs. Included here is an assessment of prevailing psychological factors, such as physical threats to safety, crowding, and nuisances, as well as pertinent military values, such as esprit and team work, and pervasive contemporary family and social values.

## LOCAL ECONOMY

Every installation must be aware of the general state of current and projected economic conditions at the national, regional, and local levels. Knowledge of the local economy is particularly crucial. Strengths or weaknesses in the local economy as measured by unemployment rates, inflation, wage rates, and prices clearly affect the type and quality of MWR programs supported. Trends in economy diversity, and the size of the local economy relative to the installation's contribution, will determine the degree to which the local community or the installation take the lead on providing leisure and community support services. Information on the local economy is normally available from chambers of commerce.

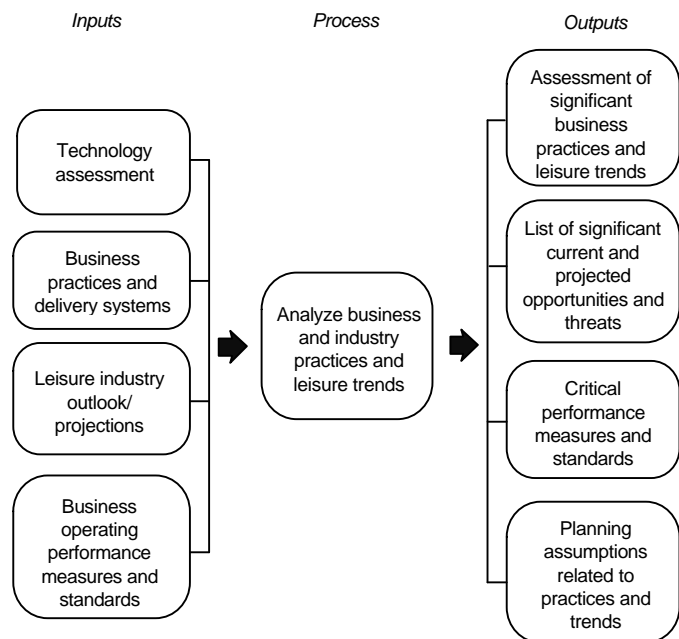


## Business and Industry Standards and Trends

Four basic aspects of the leisure and community support industry can significantly affect installation MWR programs: technology, business practices and delivery systems, leisure industry outlook, and business operating performance measures and standards.

### TECHNOLOGY ASSESSMENT

The leisure industry is continuously updating and adding new technologies to both improve services and lower costs. These new technologies may not be commonly available in installation MWR programs. Indoor golf driving ranges involving video displays and computer controls provide golf play in any climate or weather. Automatic scorers for bowling centers that speed play and relieve participants from the job of keeping score are now common. Keeping track of these innovations and incorporating them into existing programs when they are cost-effective will keep the





MWR business on the cutting edge. Information on these developments are available from leisure industry publications, professional organizations, and trade shows.

## **BUSINESS PRACTICES AND DELIVERY SYSTEMS**

The leisure industry is constantly seeking to integrate diverse leisure options into single delivery systems. This allows consumers to make more use of their leisure time. For example, traditional libraries are now found as kiosks in bus and rail terminals, and bookmobiles are commonplace. The movie theater is being threatened by direct satellite television, cable television, and movie rentals. More leisure and community support functions are being offered in multi-purpose facilities, such as bowling and child care, and more can be expected in the future.

## **LEISURE INDUSTRY OUTLOOK/PROJECTIONS**

Both the leisure industry as a whole and major industry segments (golf, bowling, etc.) monitor key factors of participation in leisure pursuits and provide projections for future demand. These projections are often developed for specific demographic characteristics that can be used to project future participation by installation and installation-supported populations. This information is crucial in decisions regarding major capital expenditures and is available from the leisure industry and many professional organizations.

## **BUSINESS OPERATING PERFORMANCE MEASURES AND STANDARDS**

Industry and business performance standards are developed and continuously updated. These standards are used to evaluate local operations against what is being accomplished in both the public and private sectors and to identify opportunities and threats.

Performance measures are quantitative statements of how some output or accomplishment is to be measured. In bowling, for example, “lines per lane per day” is a performance measure. Performance standards are expressed in the same terms as measures but include the amount or degree of accomplishment required or desired. In the bowling center example, “50 lines per lane per day” is a performance standard. Standards are used in planning as benchmarks for evaluating performance.

Performance measures and standards should be specified for each objective established in the planning process. Three primary types of standards will be employed in the planning process: industry and professional standards, historical trends, and time.

**Industry and Professional Standards.** The leisure industry and professional organizations have established a variety of performance standards. Evaluating the performance of installation MWR programs by these standards will help identify potential problem areas and indicate how efficiently and effectively programs are being operated. In some cases, similar objectives that stipulate minimum standards for the continuing operation of an existing MWR program are especially crucial.

**Historical Trends.** Comparing past and current performance is a good indicator of the direction the organization is heading. If annual employee turnover had been at 75 percent for three

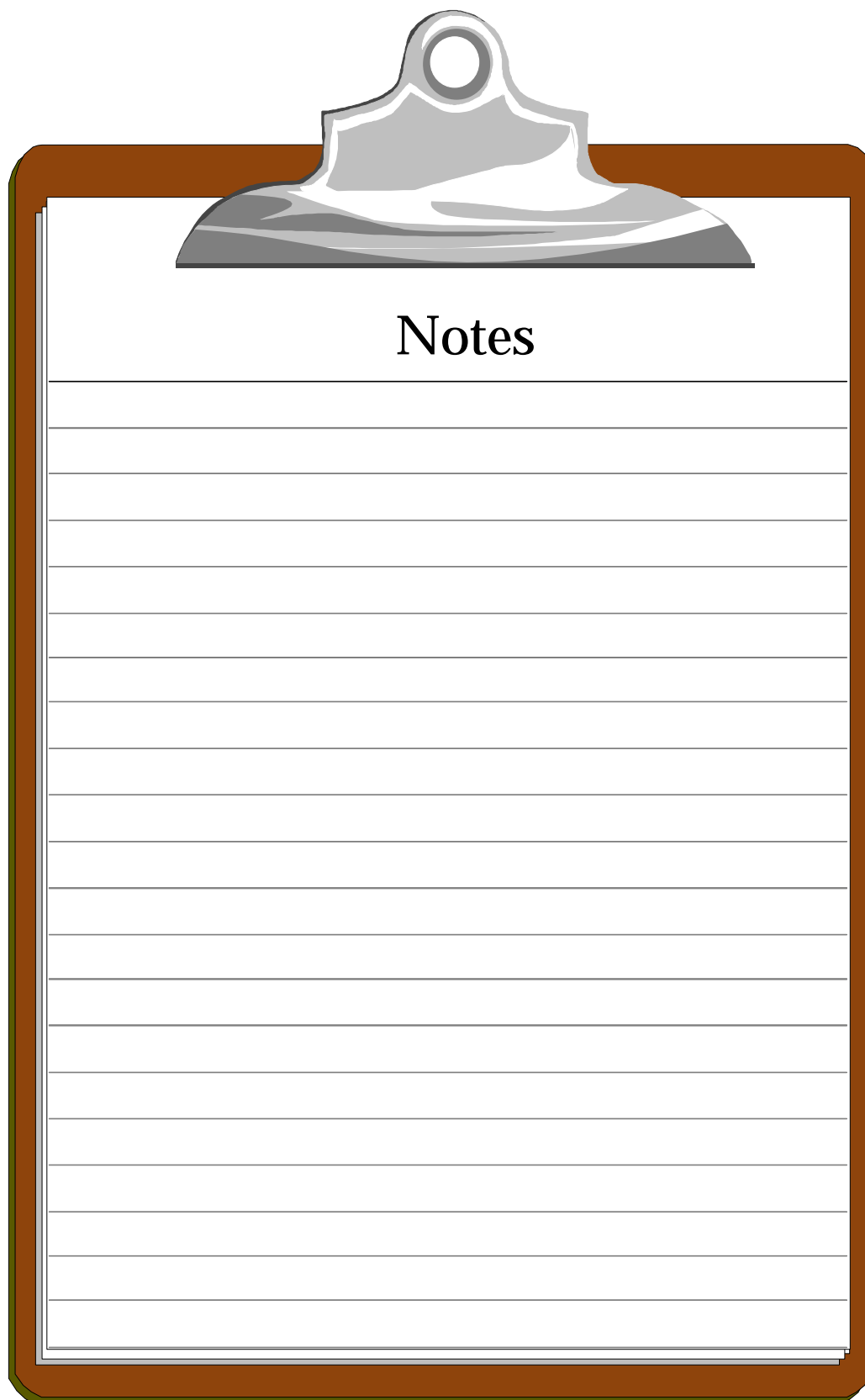
years, dropped to 40 percent last year, and fell to 30 percent in the current year, it can be concluded that there has been a substantial reduction in the turnover rate. Even though the industry standard for turnover is 20 percent and that standard has not been achieved, the trend is in the right direction. Measures used to identify these trends normally come from professional or industry performance measures and standards.

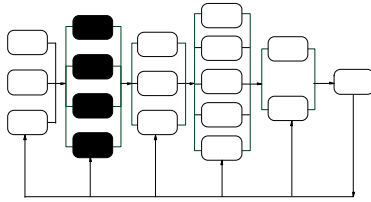
**Time Standards.** Time standards are always specified for the accomplishment of objectives and tasks. For certain objectives, it will be desirable to set performance standards at intermediate time intervals to ensure the actions being taken are having the desired effect. In the example of employee turnover, an objective of reducing turnover to 18 percent in the next year might be attained with 2 percent increments for each 60-day period. If the rate rises instead of falls at the end of the first period, corrective actions can be taken earlier rather than waiting to the end of the year.

Progress and performance measures should be established with the general agreement of those responsible for implementing them. In many cases, the responsible managers will suggest excellent measures and systems because they want to be recognized for their accomplishments. Good managers and employees will seek the recognition they deserve when they perform, and performing against standards they help set promotes accomplishment of the plan. Proper use of performance standards may be the most powerful planning tool available to management. Remember, these are not to be used as absolute measures of success or failure, but more as indicators of progress toward achieving plan objectives. Performance standards and guidelines established by the Army are contained in Department of the Army Pamphlet 600-19, *Quality of Life Program Evaluation/Minimum Standards*. The Performance Measures and Standards Worksheet (Form 2-7) provides a format to record results.

## Chapter Summary

At this point in the planning process, there should be a clear idea of the current and projected conditions in the external environment facing the installation MWR organization. There should also be a set of operating and performance standards, which will be used in the next chapter to evaluate existing programs. The next step in the process is to analyze the market for MWR programs, evaluate the strengths and weaknesses of existing programs, and to assess the competition.

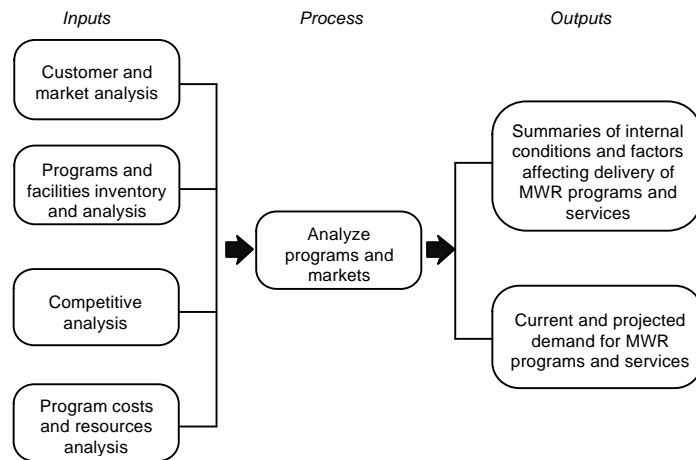




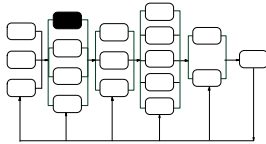
## Chapter 3

# ANALYZING PROGRAMS AND MARKETS

In analyzing programs and markets, the MWR Planning Team investigates marketplace supply and demand and evaluates current MWR programs. The purpose of this planning component is to identify and analyze local markets for MWR programs, to assess internal operating performance, and to evaluate competition in the provision of these programs. This information is crucial to the MWR Planning Team in understanding where the organization is and where it should be headed.

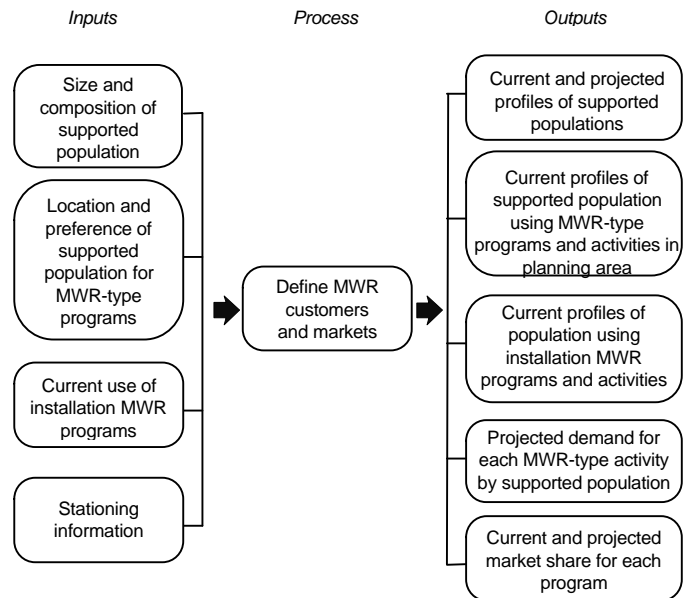


The minimum essential information developed from this planning component includes a profile of MWR customers (with current and projected market shares), prioritized lists of program strengths and weaknesses, and a thorough analysis of each MWR activity's civilian competitors. Data developed in this component will be combined with data from the preceding analysis of the external environment in developing alternatives, the third of the six planning components. Although the best possible information should be developed for this component, the MWR Planning Team should not let the lack of specific information impede the planning process. The team should identify future data needs, program studies to obtain these needed data, and forge ahead.



## Customer and Market Analysis

In the customer and market analysis, the MWR Planning Team defines characteristics of the supported population that are important in establishing and maintaining responsive MWR programs. The objective of the customer and market analysis is to identify current and potential market segments, establish customer profiles, and identify customer needs and desires. This is accomplished by evaluating the population market data developed in the demographic portion of analyzing and forecasting the external environment, in combination with specific customer responses from sources such as the Leisure Needs Survey (LNS), spot surveys, focus groups, and activity records. The results obtained will reveal who MWR customers are, what they do, what they would like to do, and what they like and dislike about MWR activities.



### SUPPORTED POPULATION

Every business must know the size of the market for its goods and services, and the proportion of that market it serves. Unlike other civilian business operations, the number of potential patrons is generally limited by regulations, presenting both potential opportunities as well as threats. This customer and market analysis focuses on the market segment for the MWR organization, generally defined as the number of eligible users, including active duty military, their spouses and dependents, Department of Defense civilian employees, and retired military.

The MWR organization's total market segment has already been determined in preparing the installation and community profiles and recorded on the Current Supported Population Worksheet (Form 2-5). If certain MWR activities traditionally have included, or could include, other community civilians not a part of the installation or military, they should likewise be included as part of the market segment.

To determine market segments for individual MWR programs, it is suggested that the total market segment be divided into primary and secondary segments for each program. The primary segment consists of those portions of the total supported population who are most likely to use a particular MWR program or service because of their eligibility status, general interests, and residential proximity; the secondary segment includes those who are eligible and inter-

ested, but less likely to use the program based on factors such as proximity, cost, quality, and convenience. As an example, military families living on post with children are more likely to use on-post youth programs than military families with children living off post. While both families may be in the total market for youth programs, only the on-post family is considered in the primary market, while the off-post family would be in the secondary market. Although civilian employee dependents are authorized to use child care facilities, they are also classified in the secondary market, not only because they reside off post, but also because use of these facilities by civilian dependents is allowed only when capacity exists and first priority has been given to military dependents.

The Primary and Secondary Market Segment Worksheet (Form 3-1) provides a format for analyzing the total market segment to determine individual MWR program markets. More marketing effort, vastly superior facilities, and available program capacity are generally needed to serve secondary markets. However, these are eligible users, and when they are underserved or not served at all by the civilian community, they represent real potential for program growth.

Market segment figures from Form 3-1 are next combined with survey data and actual usage statistics to determine market size and market share for each MWR program using the Market Size and Share Worksheet (Form 3-2). Market size is the total number of actual users of the program or activity in the past year (at any location on or off post), and the MWR market share is that proportion of users who are normally served by the MWR operation. Programs that are found to have an extremely small market share should be further analyzed by submarket segments (primary and secondary).

## **CUSTOMER PREFERENCE**

Having determined who the customer is, the team should now determine customer demand. Demand for leisure and community support services is a function of what people actually do (patronage) and what they would like to do (preference). Both are determined in this element. Analyzing why certain installation MWR programs are not patronized, while the same types of programs are patronized off post, helps define issues, problems, and needs. The more that it knows about the customer, the more management will be able to satisfy customer requirements. There are a variety of techniques for learning about the customer, including studying published reports, conducting management–employee forums, use of customer feedback mechanisms, direct observation, and conducting market and customer research. All installations should be engaged in these activities to varying degrees.

**Published Reports.** Government agencies and private industry provide a great deal of information on leisure markets and customer demands. The more specific the information, in terms of where the research was conducted and the type of businesses being addressed, the more valuable it will be to the MWR organization. For example, a study of the leisure needs and desires of the customers at the installation should be far more valuable than a general study of leisure interests of U.S. residents. Topics, sources, and availability of specific publications of interest can be determined at virtually any local library with electronic access to a large data base.

**Customer Feedback.** Customer panels or focus groups are a good mechanism for obtaining information on their problems and preferences. If conducted by installation staff, they can also be inexpensive. Adhering to the following simple rules should produce meaningful results:

- ◆ Select a representative sample of the customer base; keep the group to less than 25 people.
- ◆ Select people who are willing to participate and will express opinions and interact.
- ◆ Schedule meetings at times convenient to participants; provide participation incentives (e.g., discount coupons and news coverage); make the group feel important (they are!).
- ◆ Be open and forthright; no “hidden agendas”; explain what is to be accomplished; ask specific questions on areas of interest; provide feedback at subsequent meetings. Report on how group input is being used.

Establishing a system for receiving and monitoring customer complaints and problems concerning the MWR system will provide valuable information on necessary corrective measures. Surfacing these issues should be encouraged, facilitated, and documented.

**Management–Employee Forums.** People actually serving MWR customers are in a unique position to identify many aspects of the customers and their behavior. Information that could be obtained from employees may range from changes in the type of customer being served (demographics) to what customers discuss (needs and desires) and the types of problems and issues customers face. Employees can often provide excellent suggestions for service improvements that management has not considered. Regular and formal forums should be conducted between management and employees to discuss the customer.

**Customer Observation.** Employees are normally fully engaged in serving the customer and do not have time for documenting patron behavior. However, this type of research can produce valuable customer information. For example, the customer’s attire may suggest her/his perception of the level of formality of the service being offered. Reviewing the price, amount, and quality of products and services that are offered but not purchased may suggest offering more variety of the product or service at various price and quality levels.

**Market and Customer Research.** One of the best (but also most costly) methods of learning about the MWR customer is to conduct professional-level research. Such research may include some of the techniques already discussed and normally includes a comprehensive survey of the market area. Larger installations normally can conduct small, periodic surveys, run limited test markets, evaluate promotional campaigns, and conduct customer interviews. Smaller installations are normally more limited by funds and expertise, and the cost of professional research has precluded its general use at most installations.

## **CURRENT USE**

The Army now has a program to fund and conduct MWR Leisure Needs Surveys at all Army installations. This survey instrument provides not only specific information on local markets and customers but also similar information on other installations to establish trends and to use as a benchmark for local program comparisons.

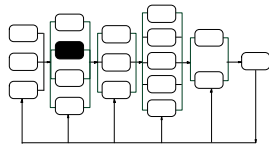
The LNS is a written survey of a random sample of the supported population, asking respondents to identify problems encountered in using most installation MWR programs. The results are analyzed to identify program or facility strengths and weaknesses, and are summarized in the “Strategic Marketing Analysis” portion of the LNS. Discrepancies between strengths and weaknesses identified in the LNS and in other customer feedback should be analyzed. Also, where the proportion of an installation’s users identifying a problem is more than twice the comparative Army or MACOM standard, this problem area should be considered as a major issue.

The survey is structured to produce valid and reliable demographic data concerning customer perception and demand for MWR programs and services. Survey results can then be extrapolated to the entire supported population with a high degree of confidence. For instance, the percentage of each user group that stated some use of each program or facility can be multiplied by the total market to determine what portion of the eligible population is being served. Since demographic, user status, and residence data are obtained from the survey, similar determinations can be made for populations in the primary and secondary markets. If actual use data are available, the two sets of user data can be compared. If there are significant differences between the two, use the figure that is determined to be most valid.

Information from the LNS may be used to calculate the number of user hours for some specified period. The period used should coincide with available financial data (normally expressed on a monthly basis). This information can then be used in later planning elements to determine the cost per user hour and numerous other financial indicators.

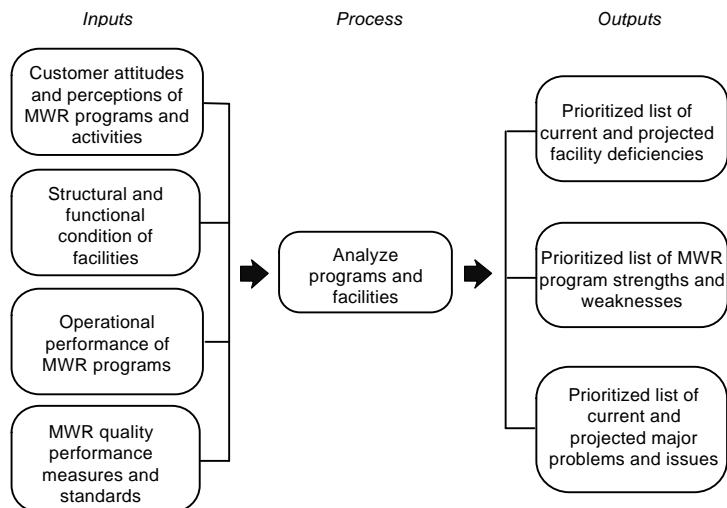
The final step in the customer and market analysis is to examine the customer profile for each MWR activity by extrapolating sample data from the LNS to the total supported population. The Customer Profile Worksheet (Form 3-3) provides a format for this determination, which can reveal population segments that may be not served or underserved, providing valuable information for MWR managers in developing operational program business plans, as described in Chapter 6. The customer profile is important in evaluating anticipated activity demand. For example, the projected number and size of active-duty families and the number of single soldiers are two important factors to evaluate when considering expansion of facilities such as child development centers or enlisted clubs.





## Programs and Facilities Inventory and Analysis

The objective of the programs and facilities inventory and analysis is to identify program and facility strengths and weaknesses and to define any major problems, issues, and needs. The strategic plan can then aim at building on identified strengths and developing strategies to overcome weaknesses. In this analysis, the MWR Planning Team evaluates the overall performance of each program offered at the installation. Important factors considered include physical facilities, hours of operation, types of programs and activities offered, fees and other charges, staffing, and operations. Support services—including administration, procurement, maintenance, personnel, and marketing—are also considered.



A suggested format for analyzing and recording the strengths and weaknesses of each program is provided in the Programs and Facilities Analysis Worksheet (Form 3-4). The MWR Planning Team should use this form to summarize customer perceptions as reported in the Leisure Needs Survey and other sources of feedback.

Next, using that same worksheet, the team should record performance ratings and current MWR business standards. These standards may be locally developed, based on appropriate business and industry standards or on the publication from the Community and Family Activities Directorate, U.S. Army Training and Doctrine Command, *Minimum Basic Standards of Operation for Morale, Welfare, and Recreation Programs* (10 May 1991.) Other standards to be included are facility evaluations from the Installation Status Report (ISR), selected financial data from MWR budget reports, operating hours, and usage figures derived in the previous element. Each MWR standard is compared to the current condition, and deviations are identified. Where a condition exceeds the standard, the initial determination for that attribute should be recorded as a strength. Where the standard exceeds the condition, the determination for that attribute should be recorded as a weakness.

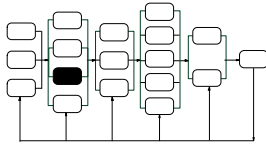
Remember that only a brief, judgmental, overall assessment of the strengths, weaknesses, and issues for each program factor need to appear on the worksheets. Data and detailed analyses to support the inventory and evaluation should be either referenced or attached to working documents and should be referenced or made part of the final planning document (for example, included as an appendix). Input from these standards will help identify strengths and

weaknesses that may not be obvious to the customer, such as hidden structural damage, or strong or weak financial and functional performance.

The next step is for the MWR Planning Team to provide the summarized performance evaluations of program strengths and weaknesses to program managers for their review, discussion, and verification. In some situations, programs are either effectively addressing existing weaknesses or are capitalizing on strengths. Conversely, in some situations previously identified weaknesses either continue or become worse over time. These situations must be highlighted in the analysis, especially when they are not identified in the previous comparison with standards. If performance or conditions have changed, identify the trend as either a strength or weakness. Input by the program and activity managers—in terms of validated strengths and weaknesses and summaries of major issues, problems, and trends—is crucial to the accuracy of both the portrayal of their programs and their own understanding of the programs' current situation.

After completing all worksheets for the inventory of programs and facilities, the MWR Planning Team should summarize the data to identify strengths and weaknesses that may span the entire MWR organization and prioritize major issues and problems. A format similar to Form 3-4 should be developed for the entire MWR organization. The ways to perform this internal assessment range from informal discussions among program managers to sophisticated studies of the organization involving outside consultants. Whatever the proposed method, it should fit the resource capabilities of the installation. Almost always, the final determination of strengths and weaknesses occurs through workshops. These should be conducted after surveys and studies to gather data are complete and available for review. A thorough discussion of the strengths and weaknesses of each program with local managers is important to help crystallize the direction of the strategic plan.

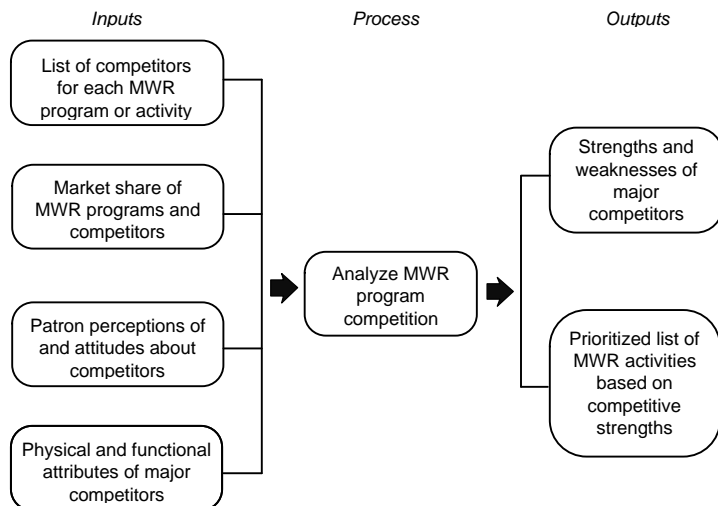
Note that all factors considered in this planning element are internal to the MWR organization. In the next element, a similar analysis of strengths and weaknesses will be conducted with respect to local competitors.



## Competitive Analysis

In formulating the installation MWR strategic business plan, the MWR Planning Team must consider the competition for programs and services. The competitive analysis profiles organizations that are in the same business or aiming for the same market segment of customers. The objective is to identify the strengths and weaknesses of each competitor for each MWR program, and then steps to capitalize on the competition's weaknesses and maximize MWR competitive strengths. The focus of this analysis is to answer the question,

"What can the MWR programs offer customers that gives it a competitive advantage?" The competitive analysis should produce a prioritized list of programs, ranked by how they rate against their own competition, as well as insight into what constitutes a competitive edge and who has it.

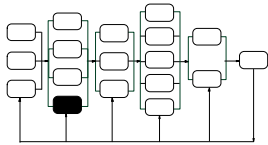


Using the format provided in the Competitive Analysis Worksheet (Form 3-5), MWR program managers should determine who the competitors are in the area and assess their strengths and weaknesses by analyzing location, price, and quality factors. The LNS provides assistance in identifying competition; its "Strategic Marketing Analysis" section summarizes perceived quality and usage. Programs with perceived low quality and average or better usage have significant potential for a competitive threat. In the "MWR Activities" portion, programs with respondents who usually participate off post have already experienced a loss of market share.

Both the number and quality of competitors are important, because an overwhelming number of average competitors can be as detrimental to business market share as one superior competitor. The program manager should compare each competitor with its MWR counterpart and determine how much better or worse the MWR program is in the local marketplace. When Form 3-5 is completed for all programs, they should be listed by their relative competitive strength values—on a scale of 1 (worst) to 3 (best)—on the Competitive Analysis Summary (Form 3-6). In addition to serving as input for the strengths and weaknesses analysis, these values will be transferred to the Composite Analysis Worksheet (Raw Data), Form 4-1, in the next planning component, developing alternatives.

Every MWR activity should be striving to be the best operation on the installation, in the Army, in the military, and in the leisure industry. If available, data on business results and customer focus and satisfaction for competitors (the same performance criteria that should be

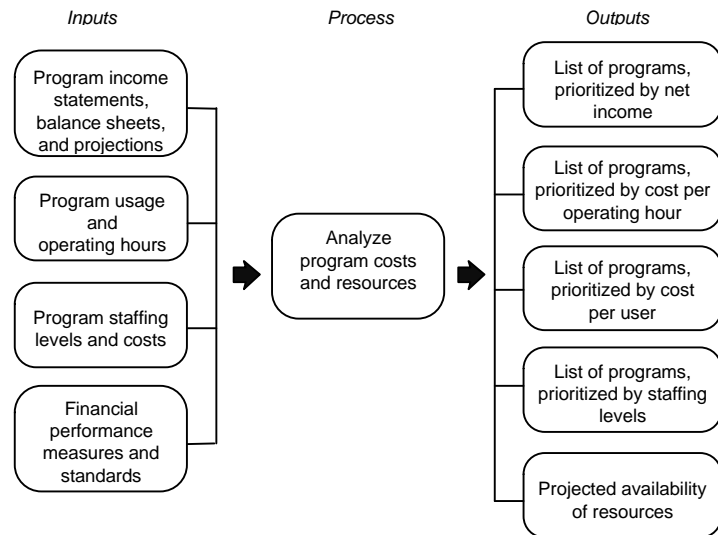
used for MWR programs) also can provide excellent comparative metrics. In today's environment, concerns with efficiency and accountability require MWR programs to clearly demonstrate that they offer a competitive advantage over the private sector. If this advantage cannot be established, then alternatives to installation-supplied MWR services should be seriously considered (privatizing or contracting, etc.) This fact makes the analysis of competition critical.



## Program Costs and Resources Analysis

The MWR Planning Team analyzes the total cost of each activity and program in terms of the two key resources: money and people. Analyzing the allocation of these resources and the financial health of the MWR programs by identifying trends and projecting future uses of resources will help identify problems to be addressed and resources available to achieve strategic objectives.

The primary tools of financial analysis for the entire MWR organization are ratios, proportions that relate one measure to another. Ratios are important because they permit comparative study by measuring historical trends within the organization itself. Changes in critical ratios may signal the existence of underlying financial problems that are yet to emerge. Additionally, through information provided by trade publications, government business statistics, and private firms, meaningful ratio comparisons can be made with the MWR organization as a whole. These comparisons can supply important financial insights by providing a measure of the organization's progress and identifying trends within other MWR organizations. Because not all of the MWR organization's activities are designed as for-profit programs, financial ratios must be used carefully. Financial ratios of not-for-profit activities should be compared only with those of similar programs.



MWR strategic planning employs two basic types of financial ratios. The first type measures *liquidity*, the ability of the organization to pay its short-term obligations. There are two primary liquidity ratios. The current ratio (current assets divided by current liabilities) indicates the extent to which short-term claims are covered by assets that will soon be cash. Army policy recommends that the current ratio should not be less than 1.5. A relatively low current ratio may indicate a lack of liquidity, while a higher ratio may show that investment in more permanent assets can be accomplished without a meaningful loss in liquidity. The quick or acid ratio (cur-

rent assets less inventory, divided by current liabilities) measures an organization's ability to pay its short-term debt without relying on the sale of inventory. Army policy states that the quick ratio should not be less than 1.0. Depending on how quickly the organization turns over its inventory, the quick ratio may be a better measure of short-term solvency than the current ratio.

The second group of ratios measure *profitability*, an organization's effectiveness as expressed by returns on sales and investment. There are two major profitability ratios. Profit margin on sales (net income divided by sales) gives the profit margin per dollar of sales. As with other measures, it should be viewed in terms of trends and industry averages. Return on assets (net income divided by total assets), also known as the return on investment, measures return on total assets of the organization. At a minimum, it must be greater than the organization's effective interest rate, which is interest expense divided by total liabilities, if the organization is to survive in the long run. A more detailed explanation of financial ratios is found in Chapter 19 of Army Regulation 215-1, *Administration of Army Morale, Welfare, and Recreation Activities and Nonappropriated Fund Instrumentalities*.

Every strategic business plan must be built on a thorough understanding of the organization's financial health. The approach to financial analysis suggested here is a simple one, intended to be used by installations for developing strategic plans. This approach can reveal areas that might need additional in-depth analysis using the more sophisticated tools of the financial analyst.

Financial summaries are normally prepared for each major MWR program and the entire MWR organization. Although numerous financial measurement tools are available for this analysis, the installation's currently accepted standards and worksheets should be used, to minimize impact on existing accounting systems, maintain current proficiency of collection and reporting, and take advantage of available data showing historical trends. If not already used, data on user hours developed as part of a previous analysis should be integrated with the financial summary, and total operating cost and net income per user hour should be determined. The following are recommended sample worksheets:

- ◆ **MWR Program Financial Worksheet (Form 3-7).** Provides a means of capturing raw financial data for individual programs from existing program balance sheets.
- ◆ **Total Operating Cost and Net Income Per Operating Hour Worksheet (Form 3-8).** Combines financial data and patronage data into a convenient analysis ratio.
- ◆ **MWR Staffing and Labor Costs Worksheet (Form 3-9).** Identifies the number of employees in each program and funding (appropriated [APF] or nonappropriated [NAF]), providing a ratio of labor cost to user.

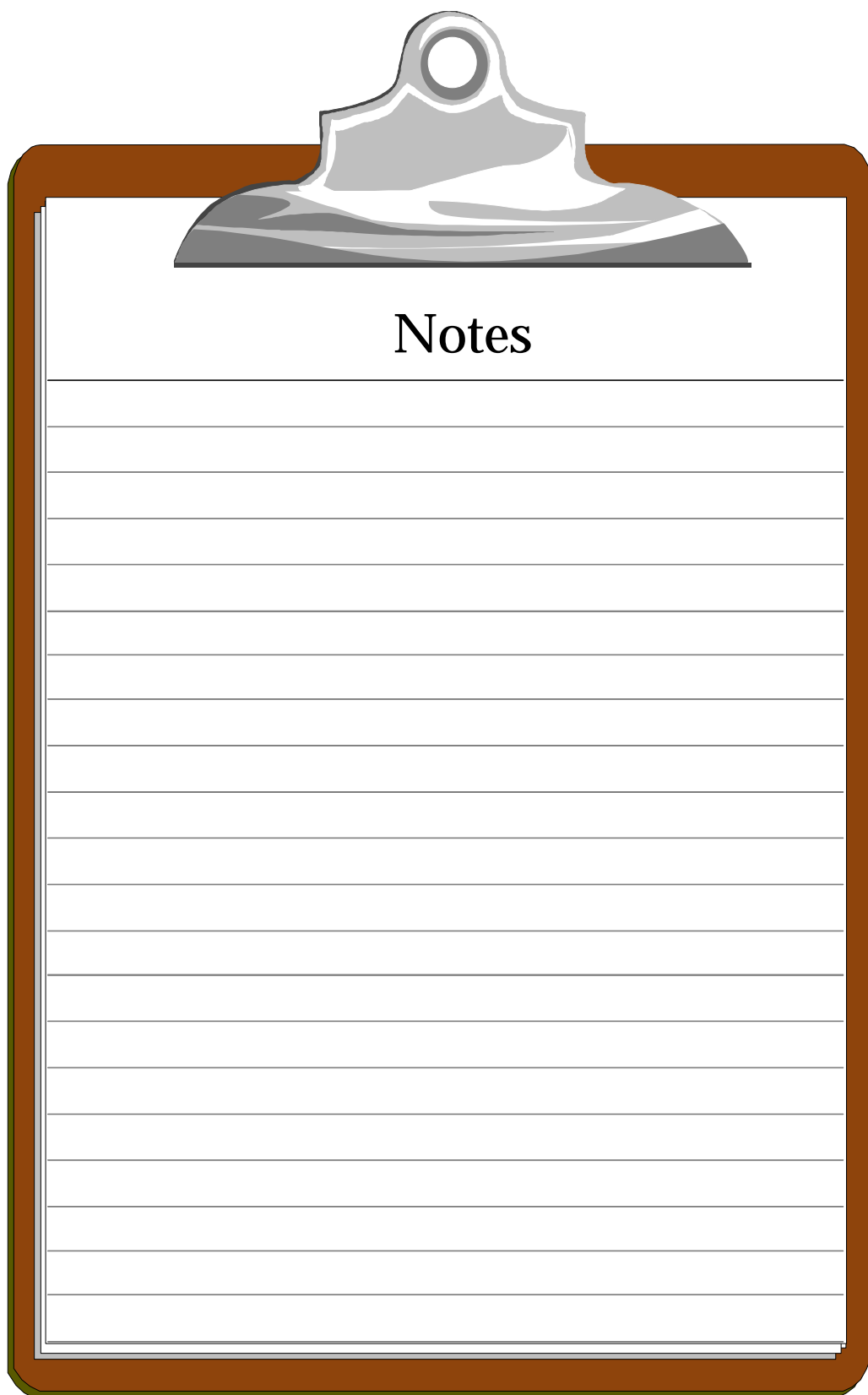
Labor is one of the largest operating expenses of virtually every MWR program. Labor costs should not only be compared internally, but also with similar operations at other comparable military installations. Where labor costs within a program are high relative to other activities and counterparts, actions should be recommended to lower these costs. Efficiencies identified in MWR programs—both internal and external (among competitors)—should also be captured. The MWR Planning Team should collect and analyze each program's operating costs for the current and past years. Estimates for future years should be included if appropriate proposed

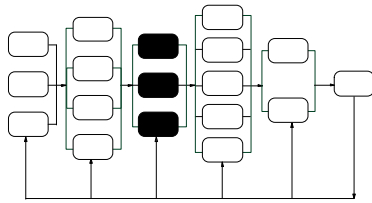
budgets have been developed. The team should determine the common measurements to be used to develop ratios, analyze the information, and rank the programs' performances according to their ratios. The objective of this analysis is to have a clear understanding of what it costs to operate programs and how the programs compare to each other.

Every successful business seeks to maximize revenues and minimize costs while providing quality goods and services. Consideration of resources in the MWR organization is even more critical. In addition to providing quality services, the program must demonstrate that its use of resources generated within the organization or provided as taxpayer subsidies is effective and efficient. The ultimate measure of effectiveness is the degree to which resources are allocated to support the military missions of retention and readiness. This means resourcing programs that eligible patrons want and use. The ultimate measures of efficiency are the per user cost to operate the program and the ability of the program to pay for itself.

## **Chapter Summary**

Virtually all the information required to chart a direction for the installation MWR program should be available at this point in the planning process. In the next chapter, this information will be combined into formats that will allow the team to develop strategic goals and objectives, and formulate alternative courses of action for moving from where the organization is to where it wants (or needs) to be.



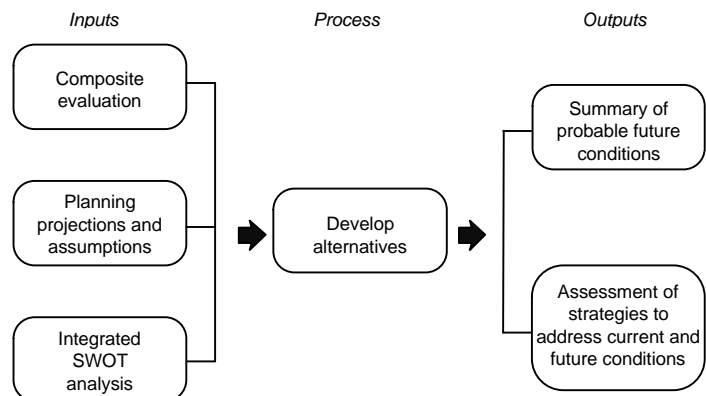


## Chapter 4

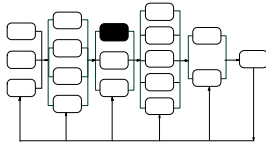
# DEVELOPING ALTERNATIVES

In developing alternatives for the strategic business planning process, the MWR Planning Team summarizes, consolidates, and integrates results from previous planning components. The purpose of this component is to specify clearly what needs to be accomplished during the five-year planning horizon by developing options (courses of action) for consideration in the strategic business plan.

First, a composite evaluation matrix of pertinent common metrics or “common denominators” for each MWR program is constructed. This comparative tool helps in decisions regarding the efficiency and effectiveness of MWR programs. Second, planning projections and assumptions considered in the previous component (Analyzing Programs and Markets) are consolidated. Finally, a matrix is developed with the most important MWR program strengths and weaknesses arranged on one axis and the most significant opportunities and threats on the other. In each resulting cell of the matrix, appropriate strategies are formulated to improve the MWR organization’s position in the marketplace. This integration phase will likely surface factors that were not considered in previous components. This is the point at which adjustments can be made to planning data so that the resulting determinations (made in the next component) produce a sound, realistic plan.







## Composite Evaluation

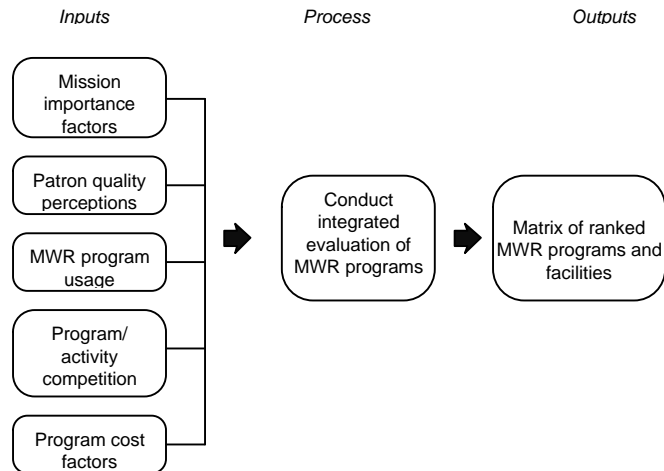
A principal objective of the MWR business planning process is to ensure that the proper type, scope, and mix of MWR programs are available to the installation-supported population. Achieving this objective is not easy. First, many MWR programs are not established or maintained purely by market and economic factors. Many are wholly or partially supported by appropriated funds or by revenues from other MWR programs. Second, some MWR programs have been operating for so long that they are now considered to be “indispensable” even when market factors do not support this conclusion.

This parochial view, combined with the mixture of APF and NAF funding and the real-world facts of limited resources, dictates an interprogram evaluation of current MWR program offerings.

The composite evaluation provides a tool that combines data gathered in analyzing programs and markets and reduces it to common factors. Included in this element are the suggested rank-ordered composite evaluation factors of use, quality, cost, competition, and mission importance for each MWR program. This comparative tool is used to highlight areas in which management action may be needed to improve, expand, or reduce programs. Although only one method to develop this tool is presented with one set of common factors, other methods with different or more refined parameters can be used. The purpose of this composite comparison is to maintain as much objectivity in the model as possible, and “let the chips fall where they might.”

### COMPILING RAW DATA

The MWR Planning Team should develop factors (such as usage and quality) for rating the programs and activities and enter them into a form similar to the Composite Analysis Worksheet (Raw Data), Form 4-1. The LNS is a readily available data source. Other financial, usage, and performance data appropriate to the installation’s programs may also be selected. A completed sample Composite Analysis Worksheet (Raw Data) is shown in Figure 4-1 for clarity. The program and facility areas shown are for illustration only and should be tailored to fit the actual programs and facilities the installation offers. Use a spreadsheet program to simplify the computation.



COMPOSITE ANALYSIS WORKSHEET (RAW DATA)									
Program/ Facility	Mission Importance	Facility Quality	Equip- ment Quality	Person- nel Quality	Program Usage	Compe- tition	Users per Hour	Operating Cost per Hour	Net Income per Operating Hour
Fitness Centers	3	4.01	4.14	3.98	21	2.46	21.97	\$7.57	\$0.66
Guest Housing	1	3.50	3.56	3.69	9	2	2.64	\$71.96	\$28.54
Gyms	3	3.73	3.79	3.68	34	3	31.61	\$69.18	\$(0.46)
Intramural	3	3.59	3.59	3.65	7	2.17	31.79	\$157.12	\$(10.05)
NCO Club	1	3.48	3.51	3.43	17	2	18.45	\$556.39	\$73.67
Rental Center	1	4.00	3.96	4.00	13	2.67	6.04	\$33.30	\$5.35
Maximums	3	4.00	4.14	4.00	34	3	65.41	\$1,175.59	\$73.67
Minimums	1	3.48	3.51	3.43	7	2	0.46	\$5.98	\$(56.95)
Average	1.708	3.887	3.864	3.878	17.958	2.339	25.08	\$211.44	\$(0.54)
Standard Deviation	0.806	0.255	0.238	0.198	11.757	0.372	19.27	\$259.24	\$32.55

**Figure 4-1**

The following are suggested composite factors shown in the completed illustration:

**Mission importance** is defined by Army regulation. Each MWR program is classified into one of three categories corresponding to mission importance in terms of authorized funding support. Category A programs, considered indispensable to the Army mission, are authorized appropriated funds and are assigned the highest value of 3. Category B programs, considered essential to the Army mission, are authorized only partial appropriated fund support and are assigned an importance value of 2. Category C programs, considered desirable, are not authorized appropriated fund support for direct expenses. Resources for these programs must be generated internally by each program or be supported by other resource-generating programs. These programs are assigned an importance value of 1.

**Perceived quality** includes the three quality factors from the Leisure Needs Survey (“Strategic Marketing Analysis” section): facilities, equipment, and personnel. The numerical ratings were based on a scale of 1 (lowest quality) to 5 (highest quality).

**Program usage** is the number of MWR program users, expressed as a percentage, from the Leisure Needs Survey.

**Competition** values are based upon results of the competitive analysis for each program area. A 3 is a perfect score and is assigned where there is no competition. The remainder of competitive values are assigned according to results of the competitive analysis summary.

**Users per hour** data comes from locally maintained statistics on activity usage. Care should be used in defining exactly what a user is in each activity. Some activities conduct hourly headcounts and compile those headcounts as the total number of users without regard for the users who may be at the activity for several hours and counted multiple times.

**Program costs** is expressed in terms of both operating costs per user hour and net income (loss) per operating hour.

## **NORMALIZING THE RAW DATA**

When all data have been entered and tabulated in the Composite Analysis Worksheet (Raw Data), the maximum, minimum, average, and standard deviation are computed for each rating factor. The raw data for each factor and MWR component are then converted to a common scale of 1 to 5 (with 5 being the best value and 1 the lowest value). Figure 4-2 shows how to convert the raw data.

After the raw data has been normalized, the next step is to determine the relative importance of each of the selected factors. One good method is to use a paired comparison analysis. Figure 4-3 shows a Paired Comparison Worksheet (Form 4-2) completed with this method. Factors are numbered randomly, not by priority, and arrayed both across the top of the page and down the left margin, forming a matrix. Managers evaluate each indicator against each of the others. If the indicator on the left side is more important than the one at the top of the column, then a 1 is placed in the intersecting block. If it is not more important, a zero is placed in the block. The row for each indicator is then totaled in the rightmost column, as highlighted by boxes in the example. Each indicator's sum is divided by the total number of responses and that value is entered in the indicator's relative weight row. The rank order of the indicators is simply the ordinal ranking of their relative weights.

<b>COMPOSITE ANALYSIS NORMALIZING PROCESS</b>			
Factor	Possible Raw Score	Conversion Method	Example
Mission Importance	1–3	1=1, 2=3, and 3=5	Category B Activity = 3
Facility Quality	1–5	No conversion needed	Enter Score from Leisure Needs Survey, e.g. 3.73
Equipment Quality	1–5	No conversion needed	Enter Score from Leisure Needs Survey, e.g., 3.79
Personnel Quality	1–5	No conversion needed	Enter Score from Leisure Needs Survey, e.g., 3.68
Program Usage	0%–100%	Multiply usage %*0.05	34% * 0.05 = 1.7
Competition	1–3	Use this Formula Score + (Score–1)	If the Score is 2.6 the normalized value is $2.6 + (2.6 - 1) = 4.2$
Users per Hour	0–unlimited	Use this formula $\{[Activity\ Value - Min.\ Value] * [4 / (Max.\ Value - Min.\ Value)]\} + 1$	Max. = 500 users/hour; Min. = 5 users/hour Activity Value = 25 users/Hour Normalized Value is $\{[25 - 5] * [4 / (500 - 5)]\} + 1$ $[(20) * (4/495)] + 1 = [(20) * (0.0081)] + 1$ $(0.1616) + 1 = 1.1616$
Operating Cost per Hour	\$0–\$300+	Use this formula $\{[Max.\ Value - Activity\ Value] * [4 / (Max.\ Value - Min.\ Value)]\} + 1$	Max. = \$275/hour; Min. = \$30/hour Activity Value = \$125/hour Normalized Value is $\{[275 - 125] * [4 / (275 - 30)]\} + 1$ $[(150) * (4/245)] + 1 = (150 * 0.0163) + 1$ $(2.449) + 1 = 3.45$
Net Income per Operating Hour	-\$?? – +\$??	Use this formula $\{[Activity\ Value - Min.\ Value] * [4 / (Max.\ Value - min.\ Value)]\} + 1$	Max. = \$12.50/hour; Min. = (\$13.75)/hour Activity Value = \$4.25/hour Normalized Value is $\{[4.25 - (-13.75)] * [4 / (12.50 - (-13.75))]\} + 1 =$ $[(16.75) * (4/26.25)] + 1$ $(16.75 * 0.1524) + 1 = (2.5524) + 1 = 3.55$

**Figure 4-2**

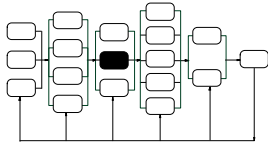
PAIRED COMPARISON WORKSHEET										
INDICATOR	Mission Importance	Facility Quality	Equipment Quality	Personnel Quality	Program Usage	Competition	Users per Hour	Operating Cost per Hour	Net Income per Operating Hour	SUM
Mission Importance		0	0	0	0	0	0	0	1	1
Facility Quality	1		0	0	0	1	0	1	0	3
Equipment Quality	1	1		0	0	Sum of the row for Equipment Quality				6
Personnel Quality	1	1	1		0	1	1	1	1	7
Program Usage	1	1	1	1		1	1	1	1	8
Competition	1	0	0	0	0		0	1	1	3
Users per Hour	1	1	0	0	0	1		1	1	5
Operating Cost per Hour	1	0	0	0	0	0	0		0	1
Net Income/Operating Hour	0	1	0	0	0	0	0	1		2
Total Responses										36
Relative Weight = Indicator sum divided by total responses	2.8%	8.3%	16.7%	19.4%	22.2%	8.3%	16.7%	2.8%	5.6%	100%
Rank Order	8	5	3	2	1	5	4	8	7	

**Figure 4-3**

The resulting relative weights are entered into the Composite Analysis Worksheet (Final) (Form 4-3). As shown in a completed sample (Figure 4-4), composite scores are then computed by multiplying the normalized data for each activity by the relative weights. Totaling these numbers for each MWR program provides their final composite scores, which can then be ranked from highest to lowest for comparison. Used in conjunction with individual program evaluation worksheets, this composite evaluation can identify strengths and weaknesses of MWR programs currently being offered by the installation, from an integrated, internal perspective. Low scoring programs should be closely scrutinized. There may be low-use, high-cost programs of marginal mission value in a highly competitive environment. Elimination, consolidation, or privatization may be options to consider during the SWOT analysis element.

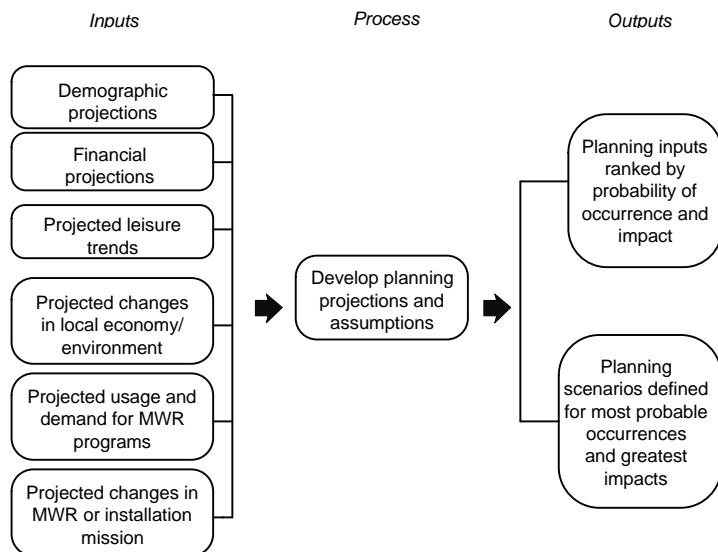
<b>COMPOSITE ANALYSIS WORKSHEET (FINAL)</b>										
Program/ Facility	Mission Importance	Facility Quality	Equip- ment Quality	Personnel Quality	Program Usage	Compe- tition	Users per Hour	Operating Cost per Hour	Net Income per Operating Hour	Composite Score
<i>Weighting Factor</i>	2.8%	8.3%	16.7%	19.4%	22.2%	8.3%	13.9	2.8%	5.6%	100.0%
Gyms	.028	.310	.633	.714	.377	.415	.406	.134	.153	3.281
Fitness Center	.140	.333	.691	.772	.233	.325	.323	.140	.155	3.113
Rental Center	.028	.332	.661	.776	.144	.360	.187	.137	.163	2.789
Intramurals	.140	.298	.600	.708	.078	.277	.407	.126	.136	2.770
Guest House	.028	.291	.595	.716	.100	.249	.367	.134	.203	2.681
NCO Club	.028	.289	.586	.665	.189	.249	.293	.087	.280	2.666

**Figure 4-4**



## Planning Projections and Assumptions

The purpose of developing planning projections and assumptions is to consolidate and summarize projections identified in previous components and decide which are more likely to occur. The MWR Planning Team resolves inconsistencies in projections and determines the planning assumptions that will be used to formulate the strategic business plan. The output from this effort is a series of comprehensive planning scenarios that will be used to develop the baseline and potential alternative future scenarios. Factors such as anticipated changes in size or characteristics of the supported population, growth and development of the off-post area, and major trends in both the MWR and civilian leisure industry receive primary consideration.

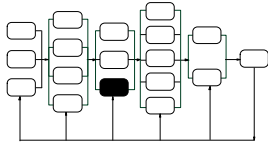


The team should review data gathered and projections made while analyzing and forecasting the external environment, analyzing programs and markets, and making its composite evaluation. Using a format similar to that of the Planning Projections and Assumptions Worksheet (Form 4-4), the team should summarize these projections and planning assumptions, remembering that the orientation and focus in this area is on both internal and external conditions that the entire organization will likely face.

On the basis of these projections, the team should develop a series of assumptions for each projection, determine which assumptions are most likely to occur, and incorporate them into the strategic business plan. In formulating planning assumptions, the focus is on probable implications of the projections. For example, if the supported population is projected to be reduced as a result of restationing actions, the implication (or planning assumption) might be reduced demand for all or certain MWR programs and services. If the team validates this planning assumption, then it probably would not also establish objectives to expand MWR programs that can expect reduced demand.

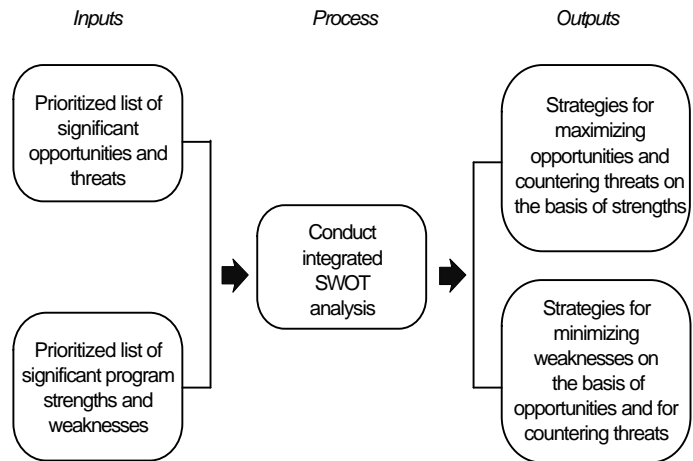
Planning assumptions can be used to develop alternative, comprehensive planning scenarios. Planning scenarios are anticipated sequences of events that may happen. They specify a chain of events that will likely occur if something in the environment or organization occurs. Different planning scenarios are developed by considering different planning assumptions for one or more planning elements. Developing alternative, competing scenarios and assigning probabilities of occurrence to each will assist the team in determining which scenario is the most likely

one to pursue and which scenarios to consider for developing contingency plans. This forces early discussion of what might happen that is different from what is planned, and how to position the organization for a potential response.



## Integrated SWOT Analysis

In the analysis of MWR programs and markets, worksheets identifying strengths and weaknesses were developed on the MWR organization and each program both from an internal perspective and in comparison with local competitors. During the first strategic planning component, worksheets were developed identifying opportunities and threats posed by the external environment. This SWOT analysis provides the MWR Planning Team with a tool to identify potential actions that will allow it to capitalize on strengths and opportunities while minimizing the identified weaknesses and threats.



The SWOT matrix is made by entering on one axis the prioritized list of external opportunities and threats identified while analyzing and forecasting the external environment, and on the other axis the prioritized list of MWR internal strengths and weaknesses identified in the analysis of programs and markets. The format provided on the SWOT Matrix Worksheet (Form 4-5) and illustrated in Figure 4-5 is recommended. Developing these worksheets should involve the active participation of program managers. Pair each strength and weakness with each opportunity and threat to identify potential actions that will capitalize on strengths and minimize weaknesses. Not every cell may have entries (relationships between SWOT factors). Identified relationships should be clear, concise, and real. The MWR Planning Team should not contrive relationships that do not exist.



SWOT MATRIX WORKSHEET		
<i>Internal Factors</i>	<b>STRENGTHS (S)</b> <ul style="list-style-type: none"> <li>⇒ Facilities</li> <li>⇒ Equipment</li> <li>⇒ Activities offered</li> <li>⇒ Personnel quality</li> <li>⇒ Financial status</li> <li>⇒ Potential for increase in business</li> <li>⇒ Equipment</li> </ul>	<b>WEAKNESSES (W)</b> <ul style="list-style-type: none"> <li>⇒ Fees/prices</li> <li>⇒ Information provided customers (advertising and feedback)</li> <li>⇒ Accessibility</li> <li>⇒ Quantity of people/employees</li> <li>⇒ Lack of employee empowerment</li> <li>⇒ Perceived high costs by customers</li> </ul>
<i>External Factors</i>		
<b>OPPORTUNITIES (O)</b> <ul style="list-style-type: none"> <li>⇒ Ability to accept advertising to increase revenue</li> <li>⇒ Steadily expanding, growing off-post area</li> <li>⇒ New plant openings for light industrial manufacturing</li> <li>⇒ Partnership with local community</li> <li>⇒ Conservative, family-oriented, low-crime, friendly community atmosphere</li> </ul>	<b>S–O ACTIONS</b> <ul style="list-style-type: none"> <li>⇒ Explore opportunity for joint ventures or partnering with local community</li> <li>⇒ Build customer loyalty</li> <li>⇒ Pursue corporate sponsorship for advertising revenue</li> <li>⇒ Explore opportunity to use excess capacity</li> <li>⇒ Explore changing regulations so civilian patronage can be authorized</li> <li>⇒ Improve effectiveness of marketing</li> <li>⇒ Bring in additional patrons from off post</li> </ul>	<b>W–O ACTIONS</b> <ul style="list-style-type: none"> <li>⇒ Institute a quality culture</li> <li>⇒ Lobby for regulatory changes and adequate APR resources</li> <li>⇒ Develop and implement effective quality plan to include reengineering actions</li> <li>⇒ Improve customer information</li> <li>⇒ Develop plan to improve access to the installation</li> <li>⇒ Educate the Command on the value of MWR services</li> <li>⇒ Cut programs to save money</li> </ul>
<b>THREATS (T)</b> <ul style="list-style-type: none"> <li>⇒ Desire of senior personnel and even single soldiers to live off post, which reduces their use of on-post activities</li> <li>⇒ Explosion of retail and commercial outlets</li> <li>⇒ Closed post, which restricts access for off-post patrons</li> <li>⇒ No public advertising on post</li> </ul>	<b>S–T ACTIONS</b> <ul style="list-style-type: none"> <li>⇒ Get regulatory relief to harness demand off post</li> <li>⇒ Educate customer about value pricing to dispel notion of high prices—contrast prices and launch public relations campaign to keep dollars on post; improve packaging</li> <li>⇒ Meet and exceed customer service expectations—provide employee training and rewards, develop operational standards, and survey noncustomers</li> </ul>	<b>W–T ACTIONS</b> <ul style="list-style-type: none"> <li>⇒ Expand patronage to currently excluded market</li> <li>⇒ Cost comparison</li> <li>⇒ Market/communicate positives—explain MWR</li> <li>⇒ Increase marketing promotions—corporate logo rollout</li> <li>⇒ Cross-promote MWR programs</li> </ul>

**Figure 4-5**

This key activity provides the following four sets of actions:

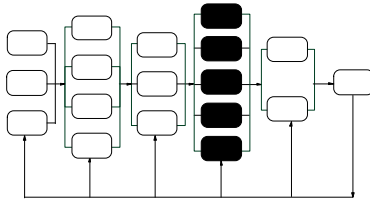
- ♦ **Strength–Opportunity (S–O).** Actions that use program *strengths* to take advantage of existing *opportunities*.
- ♦ **Strength–Threat (S–T).** Actions that use program *strengths* to minimize or avoid current and potential *threats*.
- ♦ **Weakness–Opportunity (W–O).** Actions that take advantage of *opportunities* to improve areas of *weakness*.
- ♦ **Weakness–Threat (W–T).** Actions that are largely defensive, that seek to minimize *weaknesses* by avoiding or mitigating potential *threats*.

Properly completed, the SWOT matrix provides a complete picture of everything that needs to be accomplished at the strategic level to improve or sustain the installation's MWR programs.

## Chapter Summary

The completed SWOT matrix is an effective planning tool that facilitates MWR decision-making, providing a good picture of virtually everything that needs to be accomplished to enhance, maintain, or protect installation MWR programs. With planning assumptions specifically cited, the team now has a clear focus on options to be considered when developing the goals and objectives for the strategic business plan. In the next planning component, the team will decide which actions and options the strategic plan will pursue.

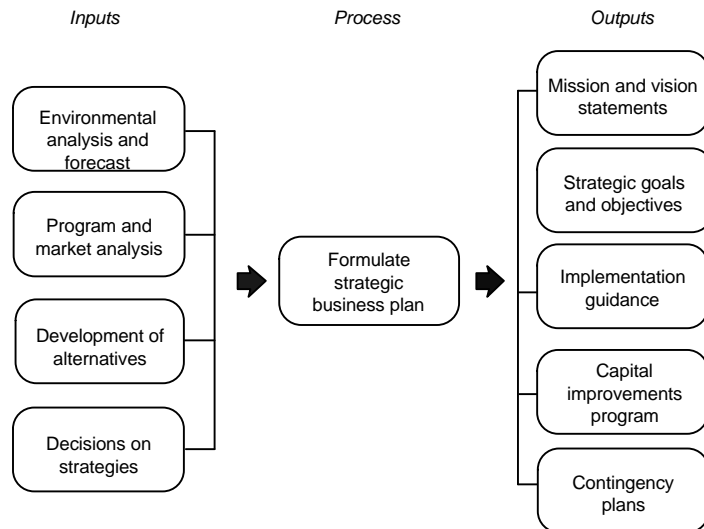




## Chapter 5

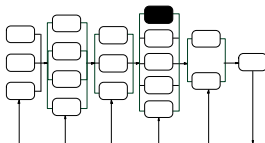
# FORMULATING THE STRATEGIC BUSINESS PLAN

Information gathered and analyses conducted in previous planning components provide the MWR Planning Team with information and options for deciding where the organization is going and how it is going to get there. This component, formulating the strategic business plan, provides an organized process for decision-making that leads to an integrated and realistic plan. It does this by developing specific statements of what the MWR organization is to accomplish over the planning period.



The process creates a succinct statement of mission, a clear picture of a desired future state (vision), strategic goals that will guide organizational efforts, and specific performance-based objectives to be accomplished. The MWR Planning Team develops guidance for the organization's programs and activities that will implement the plan and also develops a realistic, time-phased capital improvements program. In this process, the team considers probable alternative scenarios the MWR organization may face and develops plans to address these.

At the end of this chapter, program and functional managers will have the necessary guidance to develop more specific and short-term operational business plans. When completed, the installation MWR strategic business plan must contribute to accomplishing installation, MACOM, and Army missions.



## Mission and Vision Statements

Within most businesses, there is some general idea of the overall purpose of the organization. Codifying this purpose into a written mission statement will help keep the organization focused on what it needs and wants to do.

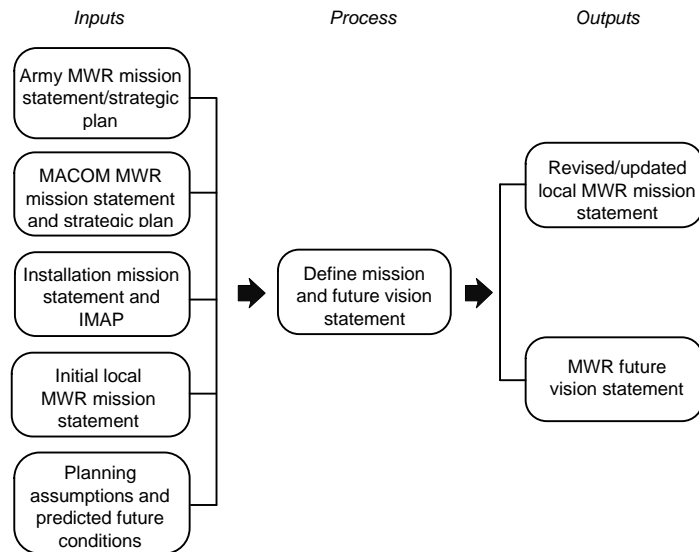
At this point in the strategic planning process, it is necessary to re-examine the organizational mission statement. When the mission statement has been formalized and adopted, it becomes the basis for developing strategic goals and specific objectives, as well as strategies for accomplishing those goals and objectives.

## MISSION STATEMENT

The Army provides a general mission statement for operating installation MWR programs. The mission statement may be refined and reissued by various MWR headquarters.

However, the individual mission statement of each installation MWR organization is made unique by local commanders in response to local situations and predicted future conditions. Careful examination of the current mission statement and proper restructuring will ensure that energies and resources of the organization are focused. The mission statement sets out the overall purpose of the MWR organization. It is the overriding or all-encompassing goal. It is the ultimate rationale for the existence of the organization. Often, the elements of a mission statement can be found in the installation mission or other important policy documents.

A good mission statement has eight key elements. It should be brief, no more than one or two paragraphs in length. It should clearly express a purpose for the MWR organization, including a commitment to economic efficiency and program effectiveness. It should state the scope of services offered in sufficient detail to identify the nature of the business and to indicate the organization's unique or distinctive nature. It should be made clear to everyone what is and what is not part of the organizational interest. The market served should be identified in terms of geography and categories of patron, such as active and retired soldiers, their families, and civilian employees and their families. The statement must be consistent with the installation mission and with missions prescribed by higher headquarters. It should be continuous in nature to preclude the need for mission revisions based on minor environmental or organizational changes. And finally, the statement should be understandable to everyone. Avoid the use of large words, buzzwords, and acronyms. Figure 5-1 is a checklist for developing and evaluating mission statements and is included for reference in the Mission Statement Worksheet (Form 5-1).



MISSION STATEMENT CHECKLIST
<p>Key factors to use in writing and evaluating a mission statement:</p> <ol style="list-style-type: none"> <li>1. Brief.</li> <li>2. Commitment to economic efficiency.</li> <li>3. Broad statement of products and services offered.</li> <li>4. Unique or distinctive in some way.</li> <li>5. Consistent with headquarters' missions.</li> <li>6. Market served geographically.</li> <li>7. Continuous in nature.</li> <li>8. Understandable.</li> </ol>

**Figure 5-1**

The following is an example of a mission statement for an installation MWR program:

*The MWR mission at Fort Paradise is to provide access to quality leisure and community support services that are needed and desired by the installation-supported population. Services provided are in direct support of the military missions and are structured to promote desirable morale and social values within families and individuals.*

A good mission statement (or even restatement) may help some installations rethink some activities undertaken during the past several years. For example, some MWR programs have become managers of waste recycling programs and others have promoted approval to provide custodial and janitorial services to generate resources. In the above mission statement, these two pursuits would be clearly outside the overall mission of the MWR organization. At various times during the planning process, the mission should be reread and revised as needed. At the end of the process, the overall purpose of the MWR organization should be crystal clear from both inside and outside the organization.

## VISION STATEMENT

While the mission statement describes what the organization *does*, its vision statement describes what it *must be* to be successful. It expresses a desired future state of affairs and places a “mark on the wall” in describing expectations for the MWR organization, answering the question, “As I look at the organization in the year 2001, what do I see?” Such a statement regarding aspirations for the organization, through and beyond the planning period, provides a significant contribution when major decisions need to be made.

The following are two examples of installation MWR vision statements:

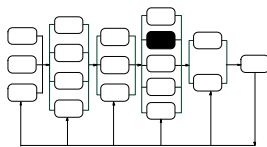
*Dedicated professionals, operating in an environment of innovation and continuous quality improvement; serving as good stewards of resources and the environment; partners with the community; providing excellence in customer-valued services, programs, and facilities; contributing to a predictable, high quality of life that enhances readiness of the military force living and working in the Fort Paradise community.*

*Recognized by the military and civilian communities as the model for delivery of high-quality, cost-effective MWR programs; a proactive work force that is focused on the customer and responsive to their changing needs and desires; emphasizing quality service above all other aspects of the business.*

Many large business organizations publish general policies regarding overall philosophy and behavioral norms of the organization. These guiding principles express what is important to the organization in terms of leadership and work force values. They provide the context for day-to-day decision-making. For example, if environmental stewardship is a guiding principle, actions that would violate the principle would not be taken or approved.

The following Army MWR guiding principles have been established by the Army MWR Board of Directors. The MWR Planning Team may develop similar guiding principles for inclusion in the installation MWR strategic business plan or employ the principles established by the Army:

- ◆ MWR supports readiness, retention, and recruiting.
- ◆ The MWR customer is America's Army.
- ◆ The MWR program is customer-driven.
- ◆ Nonappropriated funds will be returned to the customer through the provision of market-driven services, activities, and capital improvements.
- ◆ The MWR system will be managed consistently with business-like practices.

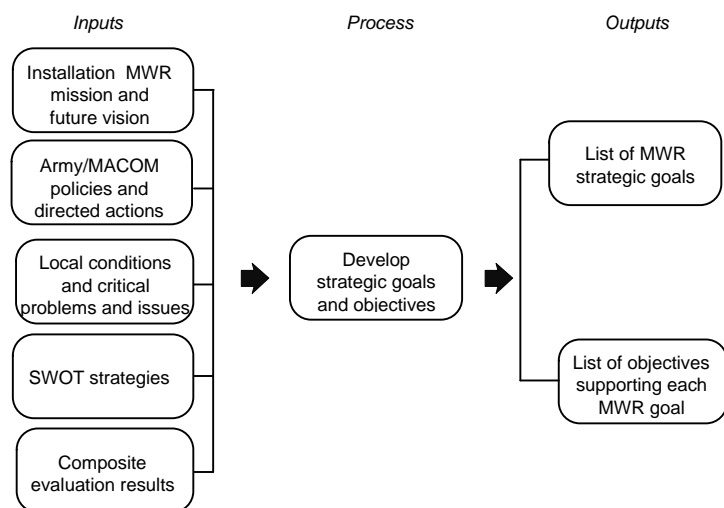


## Strategic Goals and Objectives

An integral part of the strategic plan is to specify what the organization plans to accomplish over the planning period. Planning is often viewed as a series of related actions and decisions organized with an eye toward accomplishing goals and objectives. In this regard, goals and objectives are considered the cornerstones of the strategic planning process. The starting point is to develop goals.

### GOALS

Goals are high-priority items that set the basic direction of the organization for the strategic planning period.



Major goals often involve major commitments. Once set, they are not easily changed. They reflect the way in which the organization capitalizes on its internal assets to take advantage of market opportunities. They evolve from, and give added meaning to, the mission statement. They explicitly exploit the organization's advantages over its competition. They set a foundation for the development of more specific objectives. They are strategic in that they reflect a basic direction the organization has adopted for carrying out its functions.

Goals are structured around specific areas of business operations that are of importance to the organization. Goals developed for the organization should flow directly from results of the composite analysis and SWOT analysis in the previous chapter. Where similar actions were identified for several MWR programs, this represents fertile areas for developing an organizational goal.

Here are some examples of MWR goals that might flow from the previous analysis and that are consistent with the previously stated mission and vision statements:

- ◆ Expand active-type leisure offerings available to the retired military community and facilitate participation.
- ◆ Develop cooperative agreements with the City of Paradiseville to operate leisure programs on the installation where reduced costs and more effective delivery systems can be realized.

These fertile areas are often referred to as "key result areas" (KRAs). In the Malcolm Baldrige Award criteria, these areas are specifically defined as leadership, information and analysis, strategic planning, human resources, process management, business results, and customer focus and satisfaction. The MWR Planning Team may wish to consider the Baldrige criteria when formulating its strategic goals. A worksheet similar to the Goals Development Worksheet (Form 5-2) provides a convenient format for aggregating the team's major areas of interest and determining its goals.

Although there are no specific rules regarding the number of goals to be developed, the number should be kept small. Generally, five to seven goals should be sufficient to direct the installation MWR organization; having more than that tends to confuse the work force and dissipate energies that should be focused. The organization cannot be all things to all people. During the planning period, as with all elements of the strategic plan, goals can be revised as needed. When goals have been determined, goal statements are developed. The Goals Statement Worksheet (Form 5-3) can be used to develop goal statements based on the information from Form 5-2.

## **OBJECTIVES**

Once goal statements are generally agreed upon, the next step is to develop specific objectives for each goal. Objective statements are formulated from the same information that was used to develop the goals. In many cases, the SWOT strategies and other supporting information can be restructured into objective statements. Normally, several objectives are developed for each goal. Again, less is better than more, but there must be a sufficient number of objectives, with



enough specificity, so that attaining objectives within a goal area will result in achieving the intent of the goal.

Objectives most often include “who, what, where, when, and how” components that will guide implementation and achievement. Objectives are also shaped so that they can be appropriately assigned to an organizational program or activity with reasonable expectation that they can be accomplished. The manner in which these objectives are actually set can vary from rather autocratic to participatory. Some form of participation is highly recommended in order to gain commitment and input from those expected to achieve the objectives. The following are some of the methods that can be used to set objectives.

**Autocratic.** An autocratic announcement is probably the worst way to set objectives, because most people resent being told what to do. However, it can buy short-term compliance at the expense of long-term commitment. If time is of the essence or if there is a true crisis, the unilateral setting of specific objectives by a higher level group or authority may be necessary.

**Consultative.** With the consultative method, subordinates at each level in the organization are given the opportunity to have some input to the objectives of their boss and their work group. They do not actually determine the objectives; they simply review the ones set by their boss and suggest modifications. The boss is free to accept or reject the suggestions. The problem with this approach is that it creates expectations on the part of the subordinate that the opinions offered will at least be considered and possibly accepted. Sometimes they are not.

**Participatory.** The participatory approach is the recommended one, because it gets the organization involved and enhances group commitment to achieving final objectives. It has its limitations: it is time consuming, it requires open discussion, and participants must want to participate and have the knowledge to do so intelligently. However, most experts agree that the advantages of this approach generally outweigh its disadvantages.

Two basic types of objectives may be formulated. *Improvement* objectives specify how the organization plans to improve some aspect of its operations and are the most common. They are most often related to overcoming a weakness or taking advantage of an opportunity in the environment. *Equilibrium* objectives reflect the fact that the organization is satisfied with some aspect of its operations and intends to continue at the same level. Sometimes it is wise to write an equilibrium objective if the organization is particularly proud of something it is doing or is in the middle of a major project that it wishes to keep visible until it is completed.

The time frame for accomplishing objectives will vary. Even though operational objectives tend to be short-range, it is not necessary that they be less than one year in length. Rather, a convenient cut-off point should be used. For example, if a particular phase for a strategic goal ends after two years, then this time frame could be used for an operational objective. If, on the other hand, a major phase ends after two months, then this date for accomplishment could be used. There is nothing magical about a one-year period for an operational objective.

While all operational objectives support strategic goals, they must be oriented toward a functional or program activity. This will help clarify who should be responsible for achieving the objective when responsibilities are assigned. Functional support activities include administration, finance, personnel, marketing, procurement and supply, and facilities. Program activities

vary considerably among installations but include such items as golf, bowling, child care, clubs, and the like.

The Objectives Writing Worksheet (Form 5-4) in Appendix B provides an outline to develop objectives. It includes a checklist of criteria for formulating clear and effective objectives. Meeting these criteria as closely as possible will make it easier to track and measure progress toward the objective. Tracking and measuring, in turn, are critical to ensure that the objective is actually accomplished. Measurability, however, is usually the most difficult criterion to meet.

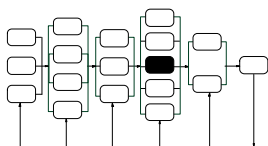
Strategic goals were prioritized based on their ability to capitalize on the most significant opportunities and strengths, and overcome the most critical threats and weaknesses. In developing objectives, this same prioritization should be maintained. There is often too little time and resources to address all objectives with the ideal level of effort; moreover, focusing on too many objectives tends to dissipate energy and resources, hindering accomplishment. The most important strategic goals and objectives are the ones that are most critical to attaining the mission.

Priority can be verified by placing strategic goals and objectives into one of these three categories:

- ◆ **Must do.** These are strategic goals and objectives that are absolutely critical for mission attainment. If we fail these, we fail in our mission as an organization. They are so important they cannot be postponed.
- ◆ **Ought to do.** These are also important and relate directly to our mission, but if we fail to achieve them it will not result in failure to achieve our mission. It may be possible to temporarily postpone their achievement to a later period.
- ◆ **Nice to do.** These are also important and relate directly to our mission (no objective should be developed that is not important for our mission), but they can be postponed for even a longer period of time, if need be. They must eventually be achieved, however, to ensure our long-term survival.

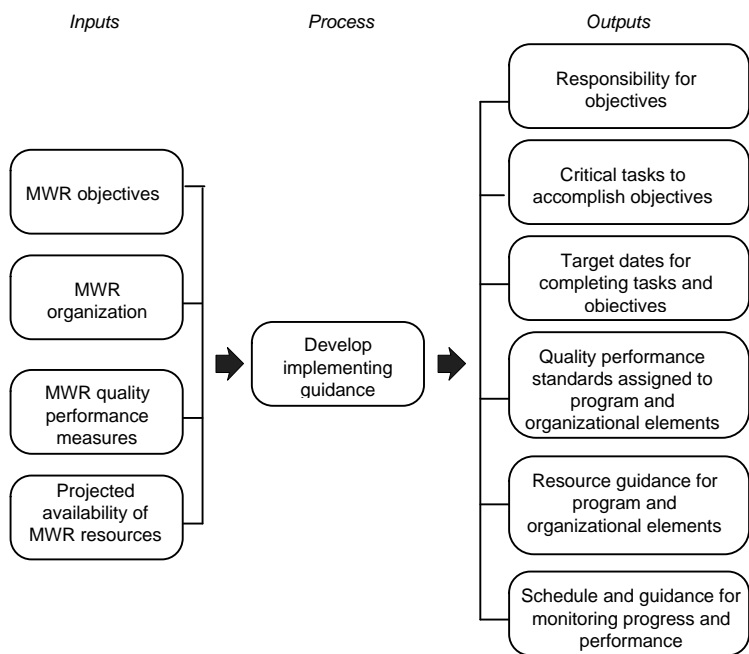
Time becomes an important criterion in determining “must do,” “ought to do,” and “nice to do” categories. Care must be exercised to avoid continual postponement of “ought to do” and “nice to do” objectives, or they will never be achieved. Usually as time goes by, “nice to do” objectives become “ought to do” and “ought to do” objectives become “must do.” The length of time, however, will vary by objective.

If a specific rank ordering of objectives is desired, then one further step is needed. Again, a good method for group consensus in prioritizing is the paired comparison, using the Paired Comparison Worksheet, Form 4-2. The paired comparison method forces the planning group to determine a priority by requiring members to compare each objective to every other objective. This can be done with all objectives, or only the objectives listed for a particular strategic goal. After the final ranking is determined, a general discussion should be held regarding the final priority to verify consensus.

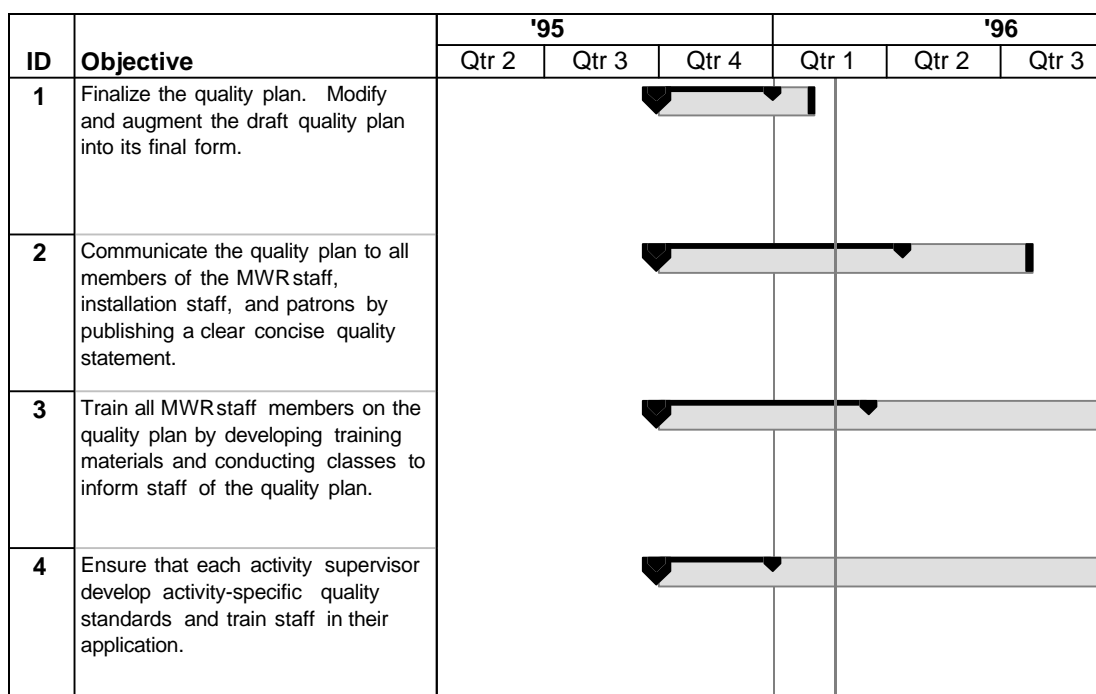


## Implementation Guidance

At this point in the strategic planning process, the team has decided what the MWR organization intends to accomplish over the planning period. While communicating goals and objectives is critical, additional and more specific guidance is needed to implement the plan. This guidance could describe the tasks necessary to accomplish objectives, assignment of responsibilities, measures and standards to evaluate performance, and resource assignments, all of which will promote and facilitate organizational efforts. In short, this information provides essential policy guidance to program and activity managers who must implement portions of the strategic business plan.



The MWR Planning Team should identify critical tasks necessary to implement each objective without delving into detailed action steps. The team should not expect a 100 percent solution at this stage, as this is the beginning of an iterative process that will continue throughout the final two components of the planning process. The Goal-Objective-Task Worksheet (Form 5-5) or a similar approach should be used to both assign the responsibility for, and track the progress of, each objective supporting the organization's goals. Any number of available management tools and computer software packages may be used to begin this planning and management process. An excellent management tool is the Gantt chart, an example of which is shown in Figure 5-2. This kind of chart was developed many years ago to help with production scheduling and is widely used today in both manual and automated systems.

**GANTT CHART****Figure 5-2**

Essential portions of any implementation strategy involve the following steps:

- ◆ *Assign* the objectives to both an organizational entity and an individual.
- ◆ *Break* the objectives into smaller, critical tasks, where needed.
- ◆ *Agree* on a reasonable schedule for completing objectives.
- ◆ *Commit* the necessary resources.
- ◆ *Determine and establish* an appropriate assessment of progress.

**ASSIGN RESPONSIBILITIES**

The first step in developing a realistic and feasible implementation strategy is to assign responsibility for accomplishing each objective. The assignment should be made to both an individual and the individual's organizational program, to preclude problems if personnel change during the planning process.

Objectives are assigned to senior managers and major organizational programs with the necessary authority and knowledge base to carry out the responsibility. In most cases, appropriate assignments will be obvious. When final decisions are made on assigning objectives, these responsibilities should be included in the employees' performance standards.

## **FORMULATE TASKS**

The actions necessary to implement the strategic business plan fall into a hierarchy. At the top are the objectives, followed by major tasks to accomplish the objectives, and finally at the bottom are specific action steps to accomplish the tasks. The major tasks that must be completed to accomplish each objective in the strategic plan must be specified in the implementing guidance. The MWR Planning Team should not formulate action steps for an objective unless it is directly responsible for accomplishing that objective. There is no need to delve into extreme detail.

The general rule is that people expected to carry out the objectives should have primary responsibility for determining action steps. Superiors may wish to review the action steps to ensure consistency and conformity with policy, but they should avoid the temptation to actually write them. Having the people who are responsible for accomplishing an objective also determine its action steps enhances participation in and commitment to the planning process. However, specifying the major tasks necessary to achieve objectives will provide the strategy and policy guidance necessary for developing and accomplishing specific action steps.

When developing tasks, the focus should be on major groups of activities that need to be accomplished. The basic question to be answered is, "How will the objective be accomplished?" What must be done to ensure successful accomplishment of the objective? It is important to ensure that all major tasks have been identified. The acid test is that any reviewer should be able to say with a high degree of confidence, "If these tasks are accomplished, the objective will be accomplished." All such major tasks must be assigned to units in the organization.

Do not worry about making mistakes on tasks and assignments at this point. Remember, this is an iterative process, and continuous adjustments will be made throughout.

## **ESTABLISH SCHEDULES**

Projected completion dates for each objective were established in the goals and objectives element. Now it is necessary to validate those completion dates and to establish implementation schedules and completion dates for major tasks.

Completion dates specified for each objective establish the latest completion dates for all of its supporting tasks. Managers responsible for accomplishing tasks must be involved in developing their implementation schedules. Since the amount of resources that can and will be allocated to objective and task accomplishment may influence the schedule, several iterations of scheduling may be necessary. A good way to validate completion dates for objectives and to identify them for major tasks is through "end-point" scheduling. This technique involves using some future date when an objective needs to be accomplished and then working backward to the present, scheduling the completion dates for tasks within the allowable time frame. The use of end-point scheduling encourages the plan to reflect more realistic time frames, since it focuses on when the objective needs to be accomplished rather than when resources are available to start the work. Accomplishment of the objectives is the focus of the strategic plan.

Many plans are too optimistic in their predictions of what can be accomplished within certain periods. There is an initial enthusiastic, "can-do" attitude as the plan is being formulated. Too

often the plan is based upon full organizational power being continuously applied to accomplish objectives and tasks. Too often, there is little consideration of employee turnover, normal employee absences, and other unanticipated problems (down equipment, shipping delays, budget approval delays, and the like).

For these reasons, it is a good idea to include a reasonable amount of slack time in completion schedules. A good technique is “optimistic–pessimistic” scheduling. First determine the optimistic time frame by asking, “How much time would it take to accomplish this objective or task if everything went well, as planned?” Then determine the pessimistic completion date by asking, “How much time could it take to accomplish this objective or task if everything went poorly?” Since not everything will go right or wrong, a midpoint date between optimistic and pessimistic dates would be a reasonable selection. The advantage of this technique is that it forces setting upper and lower limits on time estimates. If work is on an unfamiliar task or objective, or one that was troublesome in the past, a completion date closer to the pessimistic time frame would be more realistic. Conversely, a more optimistic date should be selected for clear and simple objectives or tasks that have not been troublesome before.

Once they have been determined, displaying the completion dates and schedules for all objectives and tasks on a single Gantt chart is extremely helpful. This chart lays out the key objectives for the planning period and the key action steps for each objective. What really enhances the usefulness of this tool is that all the key objectives and major tasks are summarized on a single document that can be transferred to a large wall chart and color-coded. Using erasable markings allows one to make revisions without redoing the whole chart.

## **COMMIT RESOURCES**

Resources must be committed to what the organization seeks to accomplish over the planning period, or else it cannot be accomplished. In the resource allocation process, the team identifies costs related to specific objectives and tasks, and judges whether the benefits to be achieved are worth the costs. Since the organization has limited resources, they must be spent where the greatest return can be obtained.

Initial “pricing” of objectives should be established from the bottom up, that is, by first estimating the cost for implementing each task and then summing the tasks’ costs, which will show the cost to implement the objective. If exact costs are not known, reasonable estimates should be made using expert advice and experience. After the initial pricing of objectives, it may be necessary to modify, add, or delete objectives and tasks on the initial lists. If resource assignments shorten or lengthen implementing schedules, make the necessary adjustments.

Note that the budget process does not formally enter the strategic planning process until decisions have been made on what to do (objectives), how it is to be done (tasks), and when it needs to be done (schedule). The organizational budget is built around the objectives to be accomplished, so it is not decided until planning is accomplished. This approach provides solid justification for the budget, but it also helps to set priorities. If the budget request is cut, the plan is quite specific about which objectives will be affected. Some objectives will need to be eliminated or postponed; others will need to be modified. If additional funding is received, the plan is quite specific about what can be accomplished to achieve additional objectives.

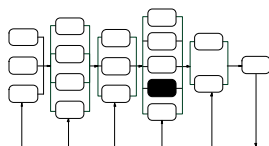
## MONITOR PROGRESS

The best strategic plan is meaningless unless some way exists to monitor and measure how well the plan is being implemented. Without monitoring, the plan becomes nothing more than a paper exercise; concern with performance is difficult to sustain, if there is no way to tell how well objectives are being implemented. At this point in developing implementing guidance, therefore, it is necessary to specify how and when progress toward accomplishing objectives and major tasks is going to be monitored, measured, and evaluated.

The importance of monitoring and evaluating was addressed when requirements for effective objectives were discussed. At that time it was established that objectives should be measurable and verifiable. Now, those same criteria must be applied to accomplishing major tasks and clearly communicated to those responsible for accomplishing them. Figure 5-3 summarizes

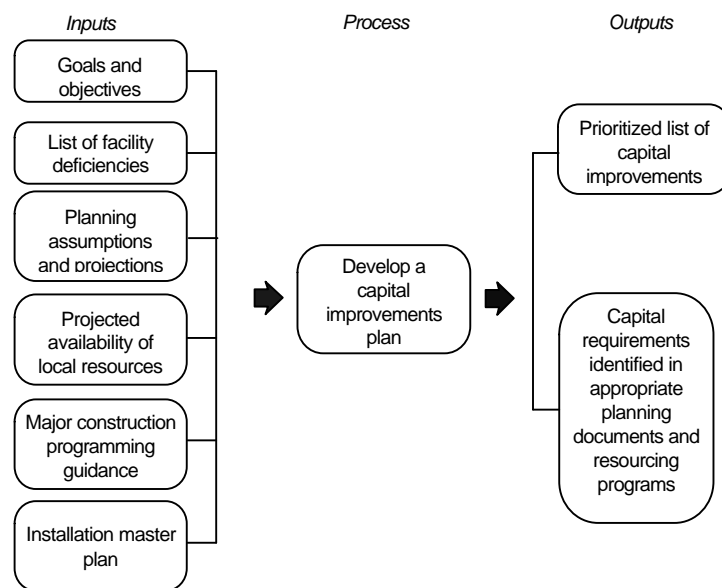
TRACKING SYSTEM CHARACTERISTICS	
<b>Timely</b>	Information received should be timely. Fresh information is needed, so that it can be acted upon before a situation gets out of control. No system provides information that is always 100 percent accurate. However, the system used should have a high degree of accuracy to reduce the need to continually verify figures or act on unreliable information.
<b>Cost-Effective</b>	The information should not cost more to gather than what it is worth. There should be a good reason to obtain the information, and this reason should well justify the cost of gathering and analyzing the information.
<b>Computer-Based</b>	With today's micro-, mini-, and mainframe computers, there is no reason why a substantial portion of information handling should not be done by computer. This approach enhances greatly the ease of access and update, and substantially reduces paperwork and storage space required. It also helps strategic planners analyze volumes of information more quickly and accurately.
<b>User-Friendly</b>	The information provided to strategic planners and other decision-makers should be in language and formats that they desire. This is extremely important, because sometimes it is the computer experts who dictate language and format. Information needs to be user-based and user-friendly. With today's equipment, there is no reason why this cannot be so.
<b>Relevant</b>	The information received should pertain to the strategic objectives being tracked. Extraneous information should be eliminated so that planners do not experience information overload. The individual receiving information should have the major say-so in determining what is relevant.
<b>Appropriate Media</b>	Information should be delivered via the appropriate media. Sometimes an office conversation or a phone call is all that is needed. Other times, a memo, letter, or report is necessary. On other occasions, a complete report with a computer printout is required. Staff meetings with appropriate visual aids are also helpful to present tracking information. Finally, on-line access to a data base stored in a computer and displayed graphically is a convenient manner to obtain the information.
<b>Minimizes Duplication</b>	Information systems should not be redundant. A data base should be developed that can be used for many purposes in tracking objectives. New data bases or a series of reports that duplicate what is already in place within the organization should be avoided.

**Figure 5-3**  
characteristics of a good tracking system.



## Capital Improvements Program

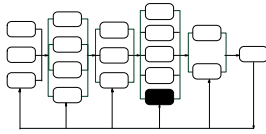
During the capital improvements program planning element, major expenses required by the strategic business plan and included in its goals and objectives are consolidated to highlight their importance, facilitate coordination, and ensure that resources are available at the proper time. A capital improvement is any major expenditure (more than \$200,000) that is nonrecurring and involves physical facilities, equipment, or other long-term assets. These improvements normally require financial support from the Army MWR fund or the Military Construction, Army (MCA), program.



The strategic goals and objectives are reviewed to determine whether the strategic business planning process has identified any new or changed requirements for capital improvements that need to be included in the MWR capital improvements program. The capital improvements program Worksheet (Form 5-6) provides a suggested template for consolidating and tracking all such projects.

Remember to include all resource requirements of the proposed project, such as special studies, construction cost, equipment, and furnishings. In many cases, separate funds are used for separate portions of a single improvement. Make sure the specification is accurate for each project and reflects what has been established in the plan. The installation MWR director should coordinate the capital improvements program with appropriate installation construction and procurement representatives to ensure smooth and timely provision of resources and project execution.





## Contingency Plans

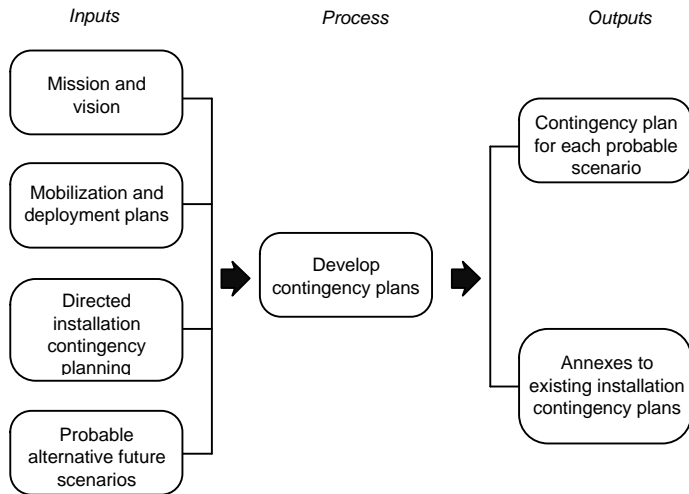
Strategic planning is based on events that have a high probability of occurring—the most likely happenings. Nonetheless, conditions that are less likely may create serious difficulties for an organization if they occur. Contingency plans are preparations for taking specific actions should an event or condition occur that is not expected in the strategic business plan.

The two key concepts in contingency planning are probability and impact. Contingency plans involve potentially high-impact events that do not

have the highest probability of occurring. (Events with a high probability should have been covered in the planning component of developing alternatives.) Contingency planning will enhance the organization's ability to react to the unexpected, if uncontrollable events alter the planned course of action. The level of contingency plan detail is generally proportional to the probability of the contingency occurring and the anticipated impact on MWR operations, should it occur. Examples of contingencies that might be considered include unexpected or prolonged troop deployments, base realignments and closures, significant and sudden budget adjustments, and natural disasters.

The MWR Planning Team should review the output from planning projections and assumptions (in the developing alternatives component). Potential candidates for contingency planning are assumptions that were not used in developing strategic goals and objectives. The SWOT analysis can also be used as an aid in developing contingency scenarios. The team members should coordinate with the installation operations element to make sure they are considering the most current mobilization and deployment plans and other installation-directed contingencies.

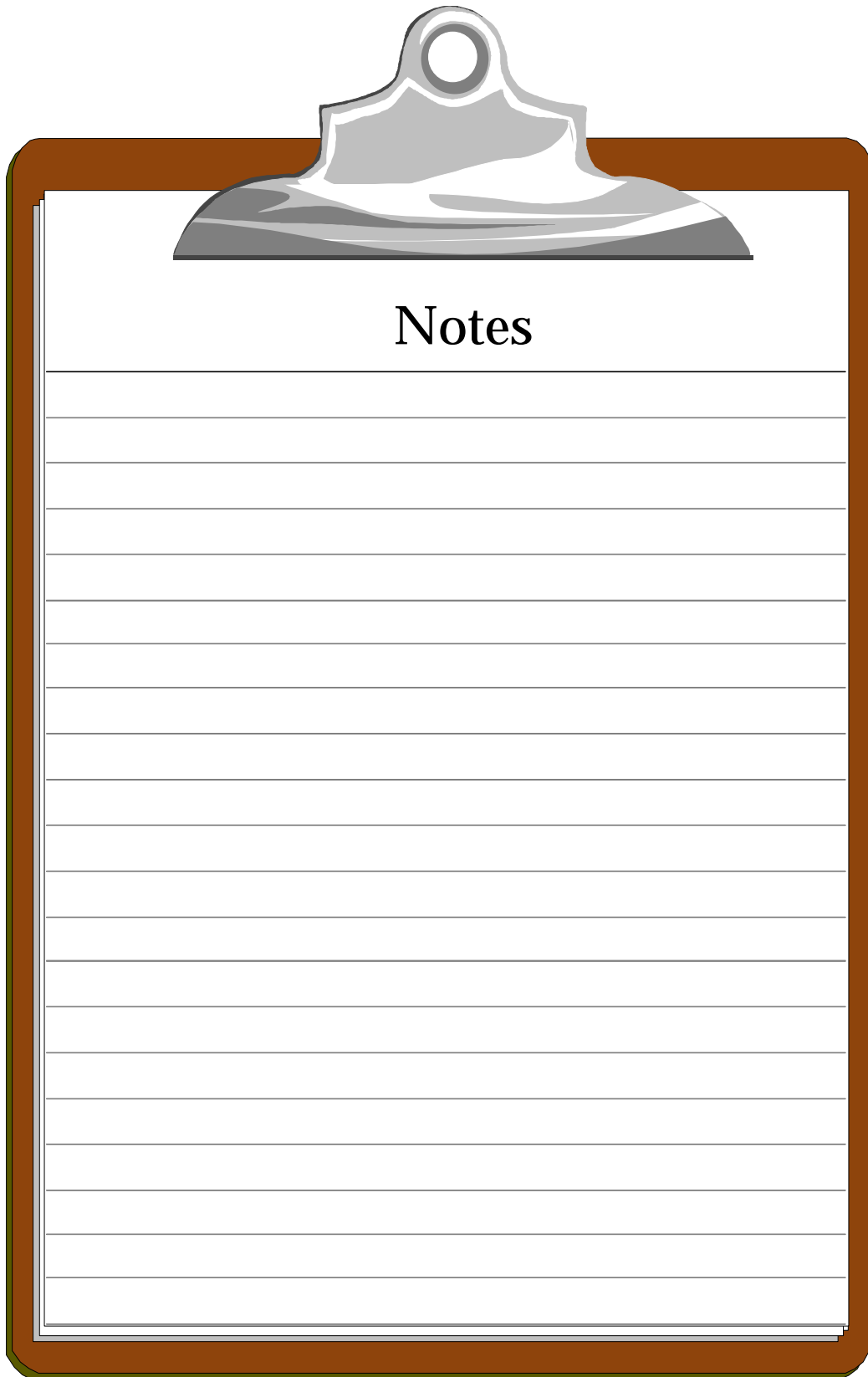
Developing contingency plans should follow the same general process used for developing the strategic business plan, with one exception. The more likely a contingency event, the more detailed should be the planning for it. For a deployment scenario at a major troop installation, for example, MWR operations would likely shift to emphasize family and dependent programs. Effective delivery of MWR programs would likely be emphasized over efficiency measures. These shifts in priorities require rather specific preliminary planning. Where future scenarios are less likely to occur, such as a significant increase in appropriated funds (with no deployment), it may only be necessary to specify in a general sense where resources would be spent.

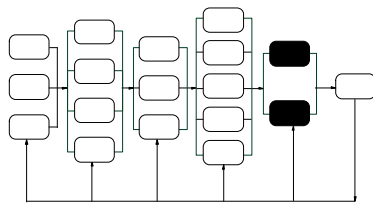


## **Chapter Summary**

The substantive work of formulating the strategic plan should be completed at this point. The next step in the process is to compile the plan into a single document to be staffed through the major installation staff elements and major tenant units. (A sample copy of an installation's strategic business plan executive summary, frequently used for this purpose, is found at Appendix A.) The purpose of this coordination is to solicit support for the plan and to ensure it is consistent with what the rest of the installation is planning to accomplish over the same period.

When the plan is coordinated, it will be sought as input for the installation development plan and it should be easy to obtain the commander's approval. The approval procedure should include a signed endorsement of the plan by the local commander that may be incorporated as a cover page to the plan. When the plan has been approved, a distribution list should be prepared. At a minimum, provide copies for the major installation staff agencies, major tenants, MACOM, and each major MWR activity and program manager. It is important to maintain a distribution list so that any required changes and updates can be efficiently distributed in the future. The plan must be used, if it is to be effective. It should be used by operating elements of the MWR organization to develop their required operational business plans (in the next chapter), discussed at staff meetings when major decisions are contemplated, and used as a reference whenever discussions concern what the organization needs and wants to accomplish.





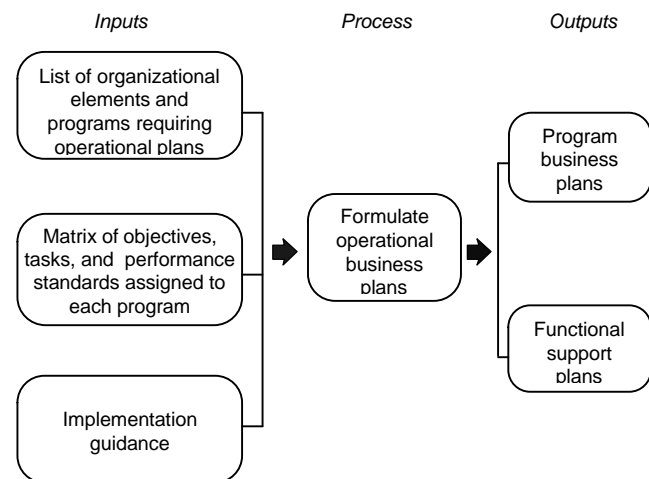
## Chapter 6

# FORMULATING OPERATIONAL BUSINESS PLANS

Completing the four previous components of the strategic planning process results in a detailed document that contains the guiding focus for installation MWR efforts. The next and perhaps most crucial step is to implement planning decisions at the operational level.

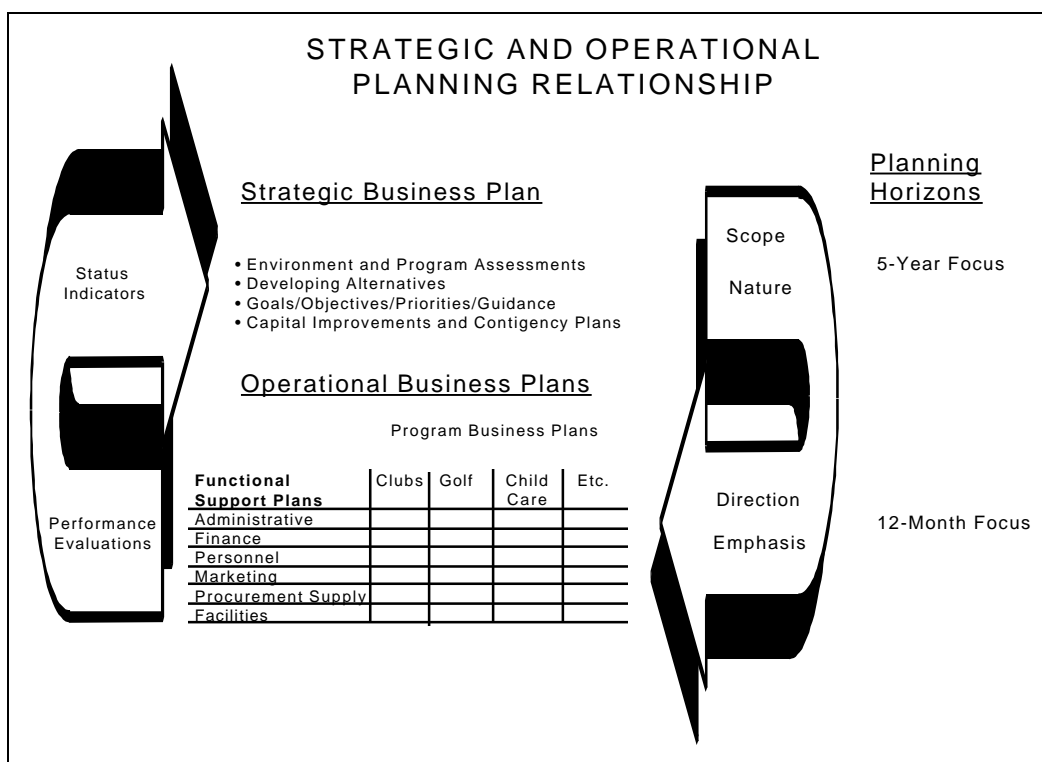
Effective implementation of the plan requires concerted and specific actions by all employees each day; actions that are consistent with plan directives. These actions are specified in more explicit terms in operational business plans. Two types of operational business plans (often referred to as implementation or action

plans) must be developed: program business plans, which are developed for all major MWR programs (child care, bowling, golf, clubs, etc.) and functional business support plans, which are developed by managers responsible for common support-type activities (marketing, personnel, finance and accounting, procurement, etc.). The planning horizon for the strategic business plan is generally 5 years, while for the operational business plan it is generally 12 months.



The transition from strategic to operational plans is accomplished by having program and functional managers develop annual business plans designed to achieve strategic goals and objectives and major tasks. The dynamics of the planning process and relationships between the strategic and operational plans is depicted in Figure 6-1. As indicated, strategic plans provide the framework for developing operational plans, and operational plans feed the strategic plan with information on progress and status.

Developing operational business plans should be a relatively easy task. All program and functional managers who are required to develop operational plans provided significant input to, or were members of, the MWR Planning Team, which developed the strategic business plan. Their participation in that process gives them the basic tools (such as worksheets, information, and analyses) needed to develop their programs' operational plans. The process is identical to the one used for the strategic business plan. The only substantive differences are that what is to be accomplished has already been specified in the strategic plan, and the planning horizon is shorter. Operational business plans contain detailed action steps necessary to execute tasks and objectives in the strategic plan.



**Figure 6-1**

The planning horizon for operational business plans is normally one year, with detailed activity schedules for action steps that specify yearly, monthly, weekly, and even daily targets for accomplishment. Operational business plans should be viewed as living, dynamic working documents that are constantly being updated as they are implemented. They provide not only the road map for activities, but also a “medical history” of the status and progress of actions. The following are recommended for inclusion in the operational business plans of both business and functional support activities.

**Program or Function Summary.** Restates the organizational mission and vision and includes a statement of purpose for the program or function. It should describe the program or function and any subelements or activities. Materials from the program and facility inventory and analysis element of the strategic plan should be summarized here. While this section should be brief, it must be complete and accurate.

**SWOT Analysis and Outlook.** Summarizes the strengths–weaknesses/opportunities–threats (SWOT) from the strategic plan that specifically relate to the program or function. Future projections of operating conditions that are pertinent to the program or function are included.

**Strategic Objectives and Tasks.** Lists all objectives and major tasks in the strategic plan for which the responsible program, function, or individual in the program has been assigned. Program and functional managers may include objectives and tasks developed at their initiative.

**Action Plan and Schedule.** Develops and schedules specific action steps the same way objectives and major tasks were developed in the strategic plan. Each action step supports accom-

plishing an objective or task.

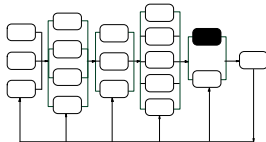
**Marketing Strategy.** Describes how program goods and services will be marketed. Basic marketing elements of price, place, promotion, and product are addressed.

**Resource Summary and Budget.** Describes and monitors the source and use of program functional resources and includes resource projections. Any financial performance standards that have been assigned are included. Financial and other resource documents in this section include the following:

- ◆ 12-month operating budget
- ◆ 5-year income statement
- ◆ Cash-flow projections (performance statement)
- ◆ Break-even analysis
- ◆ Summary of sources and uses of funds
- ◆ Personnel and staffing summary

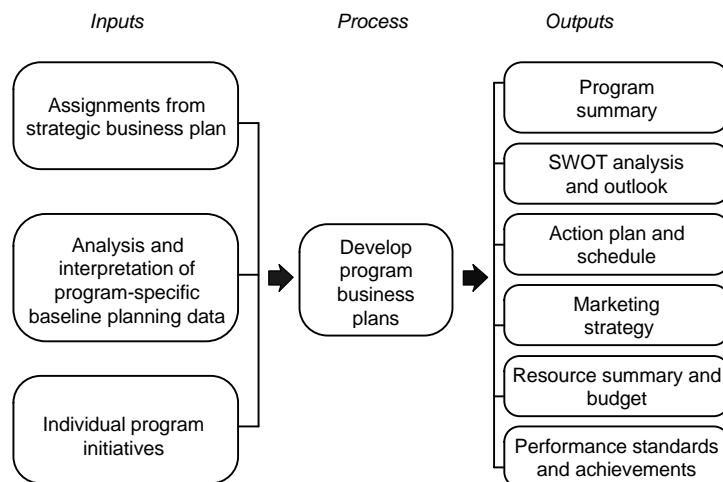
**Performance Standards and Achievement.** Highlights all performance standards and program achievements on at least a monthly basis. This section also summarizes corrective actions initiated.

**Problems and Issues.** Summarizes issues or problems encountered in executing the plan. Those that are unresolved must be provided to the MWR Planning Team for resolution.

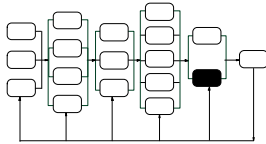


## Program Business Plans

In programming business plans, MWR program and activity managers combine pertinent information from the strategic business plan about their assignments and guidance, add their own individual program and activity initiatives, and develop individual program business plans. A great deal of program-specific planning information has already been developed in tools such as LNS and various worksheets, such as those used in the programs and facilities inventory and analysis, competi-

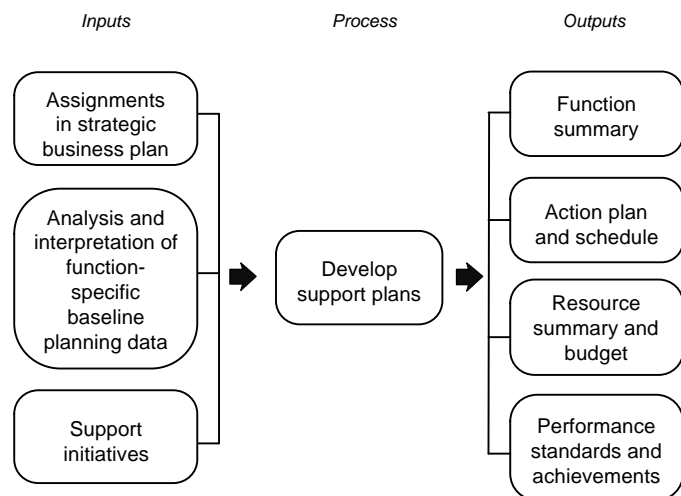


tive analysis, composite evaluation, and integrated SWOT analysis elements. The results of the program business plans are similar to, but more detailed than, those in the strategic plan. Both plans provide guidance for accomplishing objectives and tasks in terms of actions, schedules, resources and budget, marketing, and performance standards.

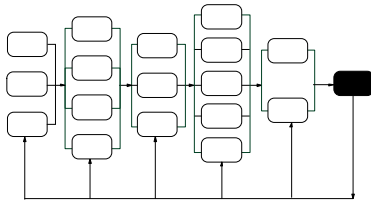


## Functional Support Plans

Functional business support plans detail the nature and scope of support that MWR operating programs will receive. They must specify the “how, what, when, where, and why” of support that will be provided. Personnel within each functional support group must understand the nature and importance of their functions, how their functions affect overall accomplishment of strategic goals, objectives and tasks, and how their performance will be measured. Functional managers must closely coordinate their support plans with their primary customers, the MWR program managers. Operating programs depend heavily on the support they receive from functional managers, and their needs will shape much of what is in functional support plans.



Task lists and schedules developed to support the strategic plan are at the heart of functional support plans. These tasks and schedules are either assigned by the strategic plan or are developed by functional managers as initiatives to fulfill assigned responsibilities. Responsibilities for goals and objectives assigned to MWR functions are further assigned to individuals within each function. If strategic assignments are complex, they are divided into more specific and manageable action steps and then assigned.

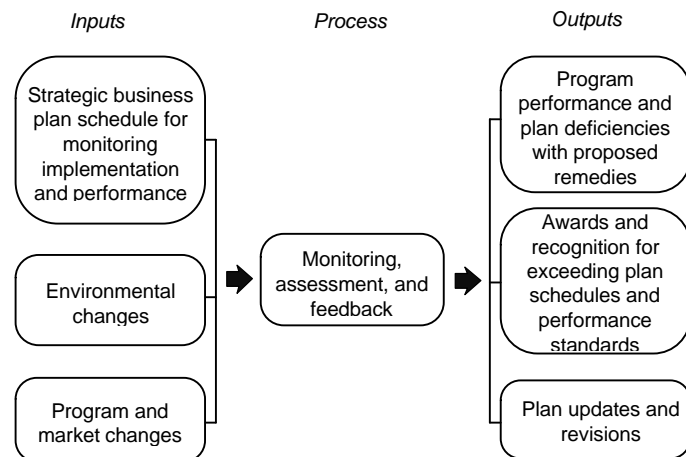


## Chapter 7

# MONITORING AND EVALUATING PLAN IMPLEMENTATION

The final component of the planning process is to establish a mechanism for regularly monitoring the progress of implementation and any changes in the operating environment that may affect accomplishment of plan objectives.

Although monitoring is considered a continuous process, the MWR director must establish specific times for formal review of the plan. During these formal reviews, the director confirms or revises the plan's predictions and assumptions, assesses the performance of operating programs and functional support elements, and evaluates progress toward the plan's objectives. Feedback from the monitoring sessions enables managers to evaluate whether they are fulfilling their assigned responsibilities and, if necessary, to refocus time and resources on strategically important objectives. Managers experiencing difficulties in meeting assigned objectives may be given additional guidance, resource support, or both. Managers who exceed performance standards, accomplish objectives on schedule, and otherwise make significant contributions to the success of the plan should be rewarded.



The entire MWR strategic business planning cycle is designed to be repeated regularly. Army regulations require the installation MWR organization's strategic business plan to be updated every three years (as part of its triennial needs assessment), and the update should be timed to take place just after the organization has received the LNS. However, should major changes to the planning assumptions or components occur (such as changes in mission, assigned population, or resources), the plan should be updated inside the three-year cycle to reflect the change.

Additionally, it is envisioned that progress toward organizational goals and objectives be incorporated as part of existing status reporting mechanisms, such as quarterly reviews. Operational business plans of individual programs and support areas generally cover one year. Optimally, each MWR program should update its business plan just before producing fiscal year budgeting projections or individual performance rating reports. If there is a good MWR planning process established at the installation, these updates should not involve major expenditures of time and resources. Most updates will result from implementing the plan and taking corrective actions on deficient performance. The review system should not only monitor execution of the plan, but bring "out-of-control" performance back under control in accordance with



the strategic plan. The system should address not only performance of people and equipment, but the adequacy of resources and the quality of established goals and objectives.

Since people are assigned responsibilities to implement objectives and tasks, the most common reason for deficiencies in plan implementation is the performance of individuals. A few of the most common reasons for deficient performance are listed here:

- ◆ People may not know what is expected of them if the plan did not describe various objectives and tasks explicitly, or if it was not communicated effectively to those assigned to implement it.
- ◆ People may not have adequate knowledge and training to carry out their duties in the plan. They may know what to do, but not how.
- ◆ Employees in the organization may not want to implement assigned objectives. Their motivation may be low because they do not perceive incentives and rewards. In fact, they may view their job as threatened if the objectives are implemented.
- ◆ Emergencies and crises may be so frequent that people are deterred from carrying out the plan. Poor forecasting and inadequate contingency plans may cause people to completely lose sight of the plan when crises arise.
- ◆ People can also be truly overloaded with work. If the plan places additional work on these people, such as the responsibility for accomplishing specific objectives or tasks, something will have to give.

It is essential that the MWR Planning Team try to anticipate and prevent these situations from impeding plan objectives. If they do occur, it is important that positive corrective action be taken to mitigate the problem before the entire plan is jeopardized. If such problems are allowed to persist, personnel will begin to work and act as if there were no plan at all.

The MWR organization needs to foster personnel who can work with some degree of autonomy and who are willing to take responsibility for their actions. If the plan is accurately communicated to these people, and if the monitoring system is providing accurate and timely information, good employees will take timely action to correct deviations in performance as part of normal business. If organizational policies, procedures, and structure are driven by the plan, these people will follow the guidelines to make the plan work. In other words, organizational policies and procedures that serve to maintain acceptable performance or correct substandard performance will be internalized by the people implementing the plan and will be used as the basis for actions. In this environment, no one will have to bring problems to the attention of the employees; they will bring real and potential problems to management, usually before they are detected by the monitoring mechanism. With minor problems, employees will take immediate action because they will know what to do and how to do it.

While this is an idealized state of affairs, it makes clear how important it is to have trained, knowledgeable, and competent people. If the organization lacks people with these desired characteristics, then the plan should deal with obtaining and developing these assets. Changes

in recruiting, placement, promotion, and training strategies may be required to ensure that competent people exist to implement the plan.

People cannot be expected to do an outstanding job in meeting plan objectives if they do not have the proper facilities and equipment. For example, exhortations to increase participation in bowling may be futile if the bowling center is perceived as a “dump” and there are higher-quality facilities in the vicinity. This situation is more often the rule rather than the exception. People are blamed for poor performance in situations where improved performance requires better facilities and equipment. If plan objectives are not being achieved, the contribution of inadequate facilities and equipment to this situation must be investigated. Proper internal assessment and proper assessment of available technology in the environment prior to developing the plan should reveal how facilities and equipment will promote or restrict the plan’s implementation. Major facility and equipment requirements should be reflected as integral parts of the plan.

Corrective action must be taken to bring performance back on track as soon as deficiencies are identified. If timely action is not taken, additional and more serious problems may develop. When the problem is known and immediate action is not taken, hoping that problems will correct themselves, the impression may be created that the organization condones the current state of affairs. A manager who says nothing about a decline in projected revenues in a particular program area may create the impression that the decline is acceptable to the MWR organization.

When corrective action is needed, it should be taken early and forcefully, and it must be directed at the causes of the problem rather than its symptoms, effects, or manifestations. It is tempting to take quick action on symptoms without probing for real causes. One reason is that a good problem statement describes the effect (symptom) of a situation and not what causes the situation. It focuses on the measurable gap between what is and what should be, and highlights the magnitude of the discrepancy. But the problem statement does not ask why the problem exists. Another reason is that probing causes takes time and effort; many managers are busy and often attracted to a quick, short-term fix. This is often a major mistake. Treating symptoms of the problem, and not their cause, is likely to achieve only a temporary solution. Until the cause is eliminated, the basic problem is likely to manifest itself again, often in a different form.

Defining the causes of a problem is often difficult, but there are many solid approaches. The Ishikawa (“fishbone”) diagram espoused by the Total Army Quality (TAQ) management philosophy is an excellent structured approach to defining problem causes. The key is to ask “why” enough times so that the root causes of the problem surface. It may not be surprising that correcting the basic causes of a problem in one area tends to correct problems in other areas.

Some out-of-line performance will be systematically corrected; the chances are that conscientious people able to monitor their own activities will make corrections without formal actions. At a minimum, however, performance below expectations should be discussed as soon as discovered to prevent it from becoming an even bigger problem in the future.

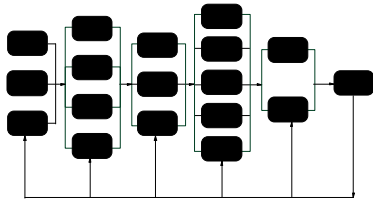
There is a fine line between the need for timely corrections and the danger of exercising micromanagement control. The most effective way to address problems is to have corrective actions developed by the team of employees who must implement them and to have actions that are timely, future-oriented, positive, and preventive. (This is essentially the approach embraced by the TAQ management scheme.)

Group activities are an effective and efficient way to tap the human resources necessary to achieve organizational objectives. Through process action teams, employees have a voice in both what needs to be accomplished (objectives) and how the objectives are to be achieved. In this way, employees gain pride in their work and develop a personal stake in their achievements. For installations that desire to use this approach, additional guidance is available in Department of Defense Guide 5000.51, *Total Quality Management: Volume 1, A Guide to Implementation* (1 January 1990).

Management must provide an environment in which all employees will voluntarily cooperate to achieve the organizational objectives. This means management must accept the idea that employees can and want to contribute and must encourage the flow of ideas. Process action teams that regularly meet to discuss performance, and otherwise reducing the hierarchical levels in the organization, will greatly assist this effort.

## **Chapter Summary**

The planning process must establish a mechanism for regularly monitoring the progress of implementation. How well individuals perform is key to both achieving objectives and also understanding implementation deficiencies. Corrective actions should be structured to deal both with the present problem and with preventing similar problems in the future. Preventive actions will free valuable future time for more important organizational needs. In the same way, corrective actions should be designed for positive changes to the way things are accomplished, rather than for punishing the source of the problem.



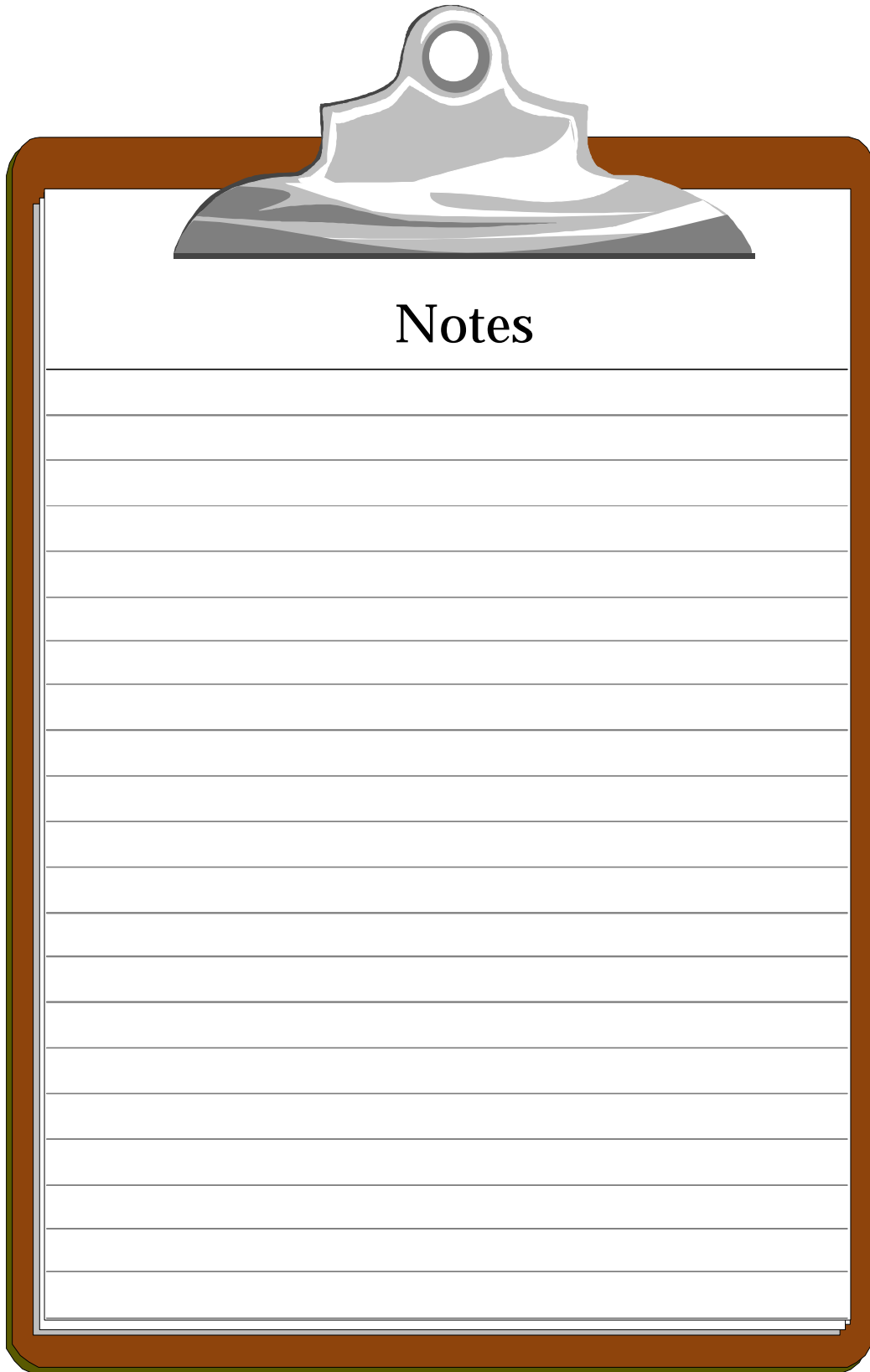
## Chapter 8 SUMMARY

The strategic business plan is a powerful management tool for providing the day-to-day operations of the entire MWR organization with vision and focus. To maximize its chances for success, the director of the MWR organization should seek formal approval of the strategic plan from the installation commander. As recommended at the conclusion of Chapter 5 “Formulating the Strategic Business Plan,” this is best pursued with the aid of an executive summary, an example of which is found at Appendix A.

Once approval is granted, the entire organization can begin work on formulating operational business plans and implementing and monitoring plans (the fifth and sixth operational components respectively), confident of the full support of the installation commander. To optimize the opportunity for success, the MWR Planning Team should also communicate the strategic plan to both the MWR organization’s customers and its work force. The executive summary is an excellent tool for presenting the MWR overview to both groups.

While an initial strategic planning initiative requires a great deal of effort, it also provides a great deal of insight. The benefits of proper planning far outweigh its costs, and subsequent planning updates will be much easier.

The strategic business plan, as it is implemented and refined during the review process, is the MWR program manager’s vehicle for transforming the existing program to support Installation XXI. This plan is also the means by which the MWR leadership implements the Army MWR strategic vision. Thus, the strategic business plan cannot be viewed as just another requirement. It is, in fact, an organizational imperative.



## APPENDIX A

# Sample Morale, Welfare, and Recreation Strategic Business Plan Executive Summary

**Executive Summary**  
**Strategic Business Plan**  
**for the Fort Monmouth Morale,**  
**Welfare, and Recreation Directorate**

**FY96**







## BACKGROUND

The FY96 Fort Monmouth MWR Strategic Business Plan was prepared by the MWR Planning Team, consisting of the Directorate's senior leadership and managers. The plan finds its basis in vision statements developed by Headquarters, Department of the Army, and its subordinate command responsible for Army MWR, the Community and Family Support Center (CFSC).

### Army Vision Statement

*America's Army, trained and ready, a strategic force, home and abroad, capable of decisive victory... into the 21st century.*

### Army MWR Vision Statement

*America's Army, committed and ready, is served by responsive MWR programs that enhance quality of life, contribute to communities of excellence, enrich living and working environments, and foster a sense of community.*

Applying this Army-level guidance specifically to Fort Monmouth, the team significantly updated its mission and vision statements to reflect current conditions and expectations, as well as future hopes for the organization.

### Fort Monmouth MWR Mission Statement

*Develop and provide programs, services, and facilities to enrich the quality of life for the greater Fort Monmouth community.*

### Fort Monmouth MWR Vision

*Fort Monmouth's MWR Directorate is committed to provide responsive programs that*

- *enhance quality of life,*
- *enrich our living and working environment,*
- *foster partnership, and*
- *strengthen Fort Monmouth as a Community of Excellence.*

## FORT MONMOUTH MWR STRATEGIC GOALS

Focused on these principles, the MWR Planning Team, through a series of data-gathering and group-facilitation sessions, developed the following six strategic goals to guide the Fort Monmouth MWR Directorate at the strategic level during the next five years:

<b>STRATEGIC GOAL 1</b>	<b>MWR Personnel:</b> Attract, develop, and retain a quality MWR team.
<b>STRATEGIC GOAL 2</b>	<b>Customer Service:</b> Provide customer-driven MWR programs that increase the customer base by 5 percent annually.
<b>STRATEGIC GOAL 3</b>	<b>Marketing/Communications:</b> Increase awareness of MWR activities by 5 percent annually.
<b>STRATEGIC GOAL 4</b>	<b>Facilities:</b> Enhance existing programs by upgrading customer service areas (facilities and equipment) by devoting a minimum of 5 percent of total revenue annually.
<b>STRATEGIC GOAL 5</b>	<b>Finance/General Management Indicators:</b> Develop and implement a system for measuring success of MWR programs, activities, and services.
<b>STRATEGIC GOAL 6</b>	<b>Technology/Information Systems:</b> Improve our technological advantage by investing at least 7 percent of net income before depreciation on management information systems.

Table 1 on the next two pages shows the strategic goals in priority order with their weighted values as determined by the MWR Planning Team. Each goal consists of supporting objectives that are assigned to individuals or groups for completion by a specified time. The resulting table is the Fort Monmouth MWR Strategic Business Plan.

# FORT MONMOUTH MWR STRATEGIC BUSINESS PLAN

<b>MWR Personnel Goal:</b> Attract, develop, and retain a quality MWR team.		
Priority 1 with 43%		
Objectives	Responsibility	Schedule
Communication: Ensure open (two-way) communication as measured by internal survey (up and down).	Deputy MWR/Glenn	2nd Qtr FY96
Training: Identify training requirements (IDP) and ensure 95% of required training is accomplished.	Eileen	4th Qtr FY96
Teaming: Establish and develop cross-functional teams to advance MWR goals by fielding a minimum of four teams in FY96.	Carole	4th Qtr FY96
Performance Feedback: Employ a system tailored to measure customer satisfaction (+/-) at the activity level.	Glenn and Glen (potentially a team)	2nd Qtr FY96
Incentives: Create an incentive program that provides resources to activity managers for exceeding agreed-upon performance measures.	Dianne, Activity/Team	4th Qtr FY96
<b>Customer Service Goal:</b> Provide customer-driven MWR programs that increase the customer base by 5 percent annually.		
Priority 2 with 32%		
Objectives	Responsibility	Schedule
Usage Metrics: Develop and maintain a viable system.	Doris and Della	2nd Qtr FY96
Existing Programs: Evaluate to determine whether they meet customer's wants/needs.	Glenn and Glen	3rd Qtr FY96
New Programs: Explore opportunities for new services and activities.	Glenn and Glen	3rd Qtr FY96
<b>Marketing/Communications Goal:</b> Increase awareness of MWR activities by 5 percent annually.		
Priority 3 with 12%		
Objectives	Responsibility	Schedule
Information Dissemination: Create an effective system for measuring MWR information.	Marketing	3rd Qtr FY96
Mascot Marketing Program: Create an effective plan for MWR programs capitalizing on the new mascot.	Marketing	1st Qtr FY96
Kiosks: Ensure installation.	Marketing	2nd Qtr FY96
RECTRAK: Develop methodology to utilize data.	Marketing	4th Qtr FY96
Town Hall Meetings: Present six MWR-focused Town Hall meetings annually.	Marketing	4th Qtr FY96
Cross-Marketing: Improve communication with installations inside a 50-mile radius.	Marketing	2nd Qtr FY96

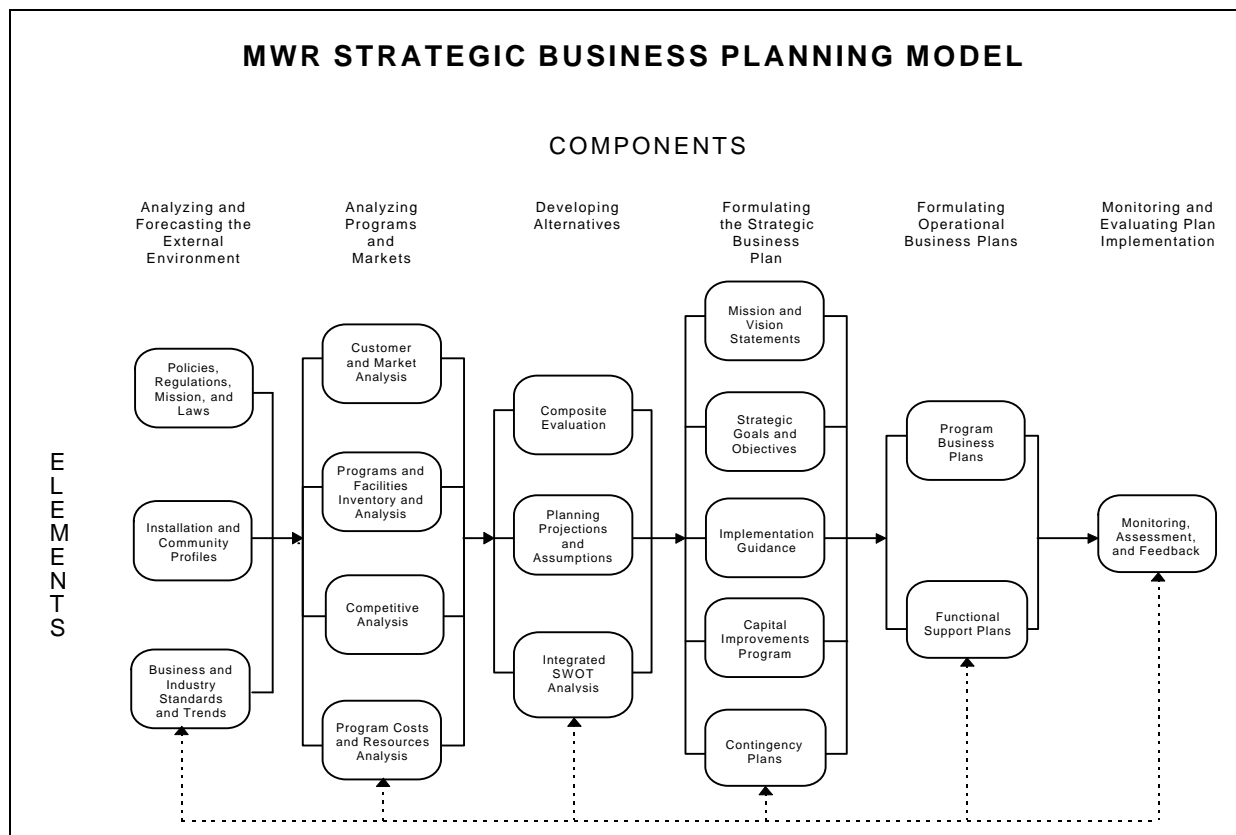
**Table 1.**

<b>Facilities Goal:</b> Enhance existing programs by upgrading customer service areas (facilities and equipment) by devoting a minimum of 5 percent of total revenue annually.		
Priority 4 with 6%		
Objectives	Responsibility	Schedule
Assessment: Improve facilities and equipment assessment program.	Tom	2nd Qtr FY96
Capital Improvements: Develop DA Form 1391's for MWR construction projects.	Each Facility Manager	4th Qtr FY96
Project Status Reporting System: Develop a system.	Glenn	3rd Qtr FY96
Facility Checklist: Fine-tune a standard MWR system.	Glen	2nd Qtr FY96
<b>Finance/General Management Indicators Goal:</b> Develop and implement a system for measuring success of MWR programs, activities, and services.		
Priority 5 with 4%		
Objectives	Responsibility	Schedule
Benchmarks: Institute a system for measuring success. Three key elements are the following:	Director, MWR	1st Qtr FY97
<ul style="list-style-type: none"> <li>Benchmark usage metrics objective of Strategic Goal # 2.</li> </ul>	Doris and Della	2nd Qtr FY96
<ul style="list-style-type: none"> <li>Benchmark information dissemination objective of Strategic Goal # 3</li> </ul>	Marketing	3rd Qtr FY96
<ul style="list-style-type: none"> <li>Performance Feedback: Develop and maintain a viable system for measuring customer satisfaction.</li> </ul>	Glenn and Glen	3rd Qtr FY96
Benchmark Reporting System: Create a method to report success measures above.	Glenn	2nd Qtr FY96
Dictionary of Measurement Terms: Document standard definitions of all measurement terms.	Team: Janey Baca, Juliet Hagen, and Mike Danohoe	2nd Qtr FY96
Competitive Survey: Compare price and quality of MWR activities to off-post competitors.	Chris Stone	4th Qtr FY96
Overhead: Review and adjust Non-Appropriated Fund expenses.	Tom, Glenn, and Glen	3rd Qtr FY96
<b>Technology/Information Systems Goal:</b> Improve our technological advantage by investing at least 7 percent of NIBD on management information systems.		
Priority 6 with 3%		
Objectives	Responsibility	Schedule
E-Mail: Have all activities using the cc:Mail communications program.	Vince	2nd Qtr FY96
MIS Implementation Schedule Development.	Vince	2nd Qtr FY96
Train MIS Users.	Vince	4th Qtr FY96
Ensure MIS is Utilized.	Tom	4th Qtr FY96
Develop Management Reporting MIS.	Team: Tom, Vince, and Glenn,	4th Qtr FY96
Attain Operational Capability: Complete installation.	Vince	4th Qtr FY96

Table 1. (continued)

# MWR STRATEGIC BUSINESS PLANNING PROCESS

The strategic business plan was developed using the process shown in the first four components of the planning model in Figure 1: External Environment Analysis, Programs and Markets Analysis, Developing Alternatives, and Formulating the Strategic Business Plan. They make up the strategic portion of the planning process. The last two components (Operational Business Plans and Monitoring and Evaluating) are at the operational level and prescribe how to implement and monitor the strategic plan.



**Note:** SWOT = strength–weakness/opportunity–threat

**Figure 1.**

The following is a summary of the MWR Planning Team's conclusions for each of the strategic components. A more thorough analysis of their findings can be found in the team's workbook used throughout the planning process.

## Analyzing and Forecasting the External Environment Component

Analyzing and forecasting the MWR environment entails the examination of significant aspects and trends that are external to the MWR organization and over which it has little or no control. The analysis determines the impact of these external subelements and categorizes them according to whether they represent opportunities or threats to the MWR organization. Findings are summarized in the following three tables.

External Subelement	Key Information: Policies, Regulations, Mission, and Laws	Opportunity (O)/ Threat (T)
Installation	Flexible work schedule (various work hours/lunch periods).	O
	Lunch hours not enforced.	T
	Open post.	O and T
	High visibility of Military Police/gate checks during peak times.	T
Local	Local/state fishing and boating, gun owner permits/licensing/registration is required of military.	T
	Lottery/raffle requires state license number if sold off post.	O and T
Army Regulations	Prohibition against civilian eligibility/use (exception for Festival and Armed Forces Day).	T
	New relaxation of advertising regulation.	O
	Deglamorization of alcohol; cannot discount happy hours, but off post does (e.g., SSS Bar).	T
	Impact card—procurement.	O
	MasterCard (test began November 1995).	O
	Library cannot charge late fee/purchase security for CDs.	T
	Youth Services cannot service civilian population (except for baseball camp, which makes lots of money).	T
MWR Program Policies		

**Table 2.**

External Subelement	Key Information: Installation and Community Profile	Opportunity (O)/ Threat (T)
Demographics	Active duty decreased from 5,000 to 1,500 in past few years; Army Stationing and Installation Plan projection 1995–2001 to lose 200 (Chaplain School); potential Military Academy Prep School loss.	T
	Coast Guard Station, Naval Weapons Station Earle, and local Air Force personnel occupy post housing. Vint Hill Farms BRAC action adds people to the installation.	O
	CECOM consolidation to Main Post. (Lunch increase for Lane Hall, while child-care facilities move to housing area.)	O
	Market population is primarily civilian: goes home (off post) after work. Limited military population with little unit affiliation.	T
Land Use and Development	CECOM Building (leased) consolidation to Main Post. Increased contractor personnel during \$50 million BRAC 93 construction projects.	O
	New Applebees (club-restaurant competition).	T
Key Physical Attributes	Proximity to Atlantic City, Jersey shore, New York, and Philadelphia offers outstanding recreational possibilities. Both competitive and supportive (e.g., planned activities/travel and equipment checkout).	O and T
	New York/Atlantic City/summer resort/beach areas.	O and T
Social and Cultural Attributes	Small military presence. Loose unit affiliation.	O
	Military perception as “country club” of the Army; civilian market does not see it that way.	O and T
Local Economy	Wage grade regulations set equivalent to New York City rates, but off post the pay scale is much lower.	O and T
	“One Army” philosophy requires same rates for civilian and military child care, even though civilians would gladly pay twice as much.	O
	Adjusted unemployment rate better than rest of state.	O and T
	Housing costs dropped, but market is still not moving.	O and T

Table 3.

External Subelement	Key Information: Business and Industry Standards and Trends	Opportunity (O)/ Threat (T)
Technology	Burger King on base; many fast-food outlets close by.	T
	REC-TRAC/FOOD-TRAC/GOLF-TRAC/CATERMATE/CDSAMS/SMIRF/FMBS	O
	Customer credit card.	O
	Nearby golf courses have automated call-in and drawings for peak tee times.	T
Delivery Systems	Fast-food caters to on-post patrons, including fax orders (Lane Hall and Bowling).	O and T
	Nearby mall: Beeper provided when using child-care facilities.	O
Industry Outlook/Projections	Leisure trends: Golf is very strong. Bowling is steady. Fitness activities are growing. Eating light/healthy is on the increase.	O
	Biggest marketing problem is informing CECOM civilian population of its eligibility for MWR activities.	O and T
Operating/Performance Standards	None	Not Applicable

**Table 4.**

## Analyzing Programs and Markets Component

The purpose of analyzing programs and markets is to assess local markets for MWR programs, the internal operating performance of the MWR organization, and competition in providing these programs. This information, summarized as program and organizational strengths and weaknesses, is crucial for understanding where the organization is and where it should be headed.

### CUSTOMER AND MARKET ANALYSIS

Population data were accumulated from the Defense Enrollment Eligibility Reporting System (DEERS), MEDDAC Managed Care Office, Army Stationing and Installation Plan (ASIP), Installation Civilian Personnel Office (CPO), and Reserve Component Office. Current population



data were projected to the year 2001. Increases and decreases in the military population based on Base Realignment and Closure (BRAC) Commission recommendations will ultimately result in about the same small active duty population. Civilian, government contractor, and retired populations are the predominant segments and will remain so over the planning horizon. Participation data from the Leisure Needs Survey (LNS) substantiated the team's perception of participation levels, but no program was designated an MWR-wide strength or weakness.

## **PROGRAMS AND FACILITIES INVENTORY AND ANALYSIS**

All programs were evaluated for strengths and weaknesses based on the Installation Status Report (ISR), the 1992 and 1995 Fort Monmouth LNSs, MWR financial reports, and manager input. A summary of all activities showed the Bowling Center and Library to be strong. Facilities and equipment were determined to be general strengths of the entire Directorate.

## **COMPETITIVE ANALYSIS**

An evaluation by program and activity managers compared their installation programs to outside competitors in terms of location, quality, and price. Price was specifically designated as an MWR-wide strength. Although simplistic, the basic competitive analysis was the installation's first programmed MWR-wide evaluation of outside competition and resulted in a follow-on objective to expand this analysis.

## **PROGRAM COSTS AND RESOURCES ANALYSIS**

Numerous MWR resource measurements were reviewed. The MWR Planning Team's consensus was that the financial status was an MWR strength. All financial data were made available for consideration in the composite evaluation.

## **Developing Alternatives Component**

In developing alternatives, the external environment's opportunities and threats are considered in coordination with the internal program strengths and weaknesses. From this integrated framework, alternative strategies and goals were formulated. Two principal tools used were the composite evaluation and the integrated SWOT analysis (the combination of strengths-weaknesses and opportunities-threats). Operating assumptions are also developed for clarity.

## **COMPOSITE EVALUATION**

The composite evaluation uses common measures of program efficiency, effectiveness, and importance to the overall MWR mission in ranking Fort Monmouth's programs and activities. The MWR Planning Team developed and weighted by importance each of nine performance factors. The team elected to use only a single financial indicator, net income before depreciation (NIBD), because of reluctance to compare business operations with community support

functions. The top programs as a result of this evaluation, in order, were the Library, the Gibbs all Officer Club, Army Community Services, the Fitness Center, the Bowling Center, and Lane Hall.

## **PLANNING PROJECTIONS AND ASSUMPTIONS**

To avoid goals, objectives, and strategies that might result in wasted resources, the team listed numerous assumptions about the environment under which Fort Monmouth's MWR programs will be expected to operate. Those assumptions are the following:

- ◆ Army and Air Force Exchange Service first rights of refusal will continue.
- ◆ The CFSC 2 percent tax will rise to 3 percent.
- ◆ The tiered child-care payment system will continue.
- ◆ Contract laws and regulations will not change.
- ◆ Army Performance Improvement Criteria (APIC) will be used to assess the quality of programs.
- ◆ Environmental regulation will drive up the operational costs of many activities.
- ◆ Unified funding (using appropriated and non appropriated funds) will be implemented.
- ◆ Fewer appropriated and non appropriated resources will be available.
- ◆ There will be a greater need to expand existing funding and look for new sources of funds.
- ◆ An emphasis on improving business practices will continue.
- ◆ There will be more management accountability.
- ◆ Standardization of MWR business processes will increase.
- ◆ The requirement for MWR program and personnel certification will increase.
- ◆ The emphasis on commercial sponsorship and advertising will increase.
- ◆ There will be more joint cooperative efforts and service proponent programs.
- ◆ The emphasis on demand-driven programs will result in fewer but better programs.
- ◆ Improvements in technology will allow for more consolidation of functions and interconnectivity.
- ◆ The need for training and recruitment will increase.
- ◆ Restrictive state and local laws regarding hunting and boating will continue.
- ◆ The Library fee prohibition will continue.
- ◆ The child-care and golf course facilities will be opened to all civilian employees.
- ◆ Great variability in program policy, which limits forecasting by managers, will continue.

## INTEGRATED SWOT ANALYSIS

In integrated SWOT analysis, a matrix arrays external opportunities and threats against program strengths and weaknesses to identify actions for exploiting strengths and minimizing weaknesses. These potential strategies, shown in Fort Monmouth's SWOT matrix in Figure 2, provide the basis for selecting the goals and objectives that make up the strategic plan.

<b>Fort Monmouth SWOT Matrix Worksheet</b>		
<i>Internal Factors</i>	<b>STRENGTHS (S)</b> ⇒ Facilities ⇒ Equipment ⇒ Activities offered ⇒ Personnel quality ⇒ Financial status ⇒ Potential for increase in business ⇒ Equipment	<b>WEAKNESSES (W)</b> ⇒ Fees/prices ⇒ Information provided customers (advertising and feedback) ⇒ Accessibility ⇒ Quantity of people/employees ⇒ Lack of employee empowerment ⇒ Perceived high costs by customers
<i>External Factors</i>		
<b>OPPORTUNITIES (O)</b> ⇒ Ability to accept advertising to increase revenue ⇒ Steadily expanding, growing off-post area ⇒ New plant openings for light industrial manufacturing ⇒ Partnership with local community ⇒ Conservative, family-oriented, low-crime, friendly community atmosphere	<b>S-O ACTIONS</b> ⇒ Explore opportunity for joint venture or partnering with local community ⇒ Build customer loyalty ⇒ Pursue corporate sponsorship for advertising revenue ⇒ Explore opportunity to use excess capacity ⇒ Explore changing regulations so civilian patronage can be authorized ⇒ Improve effectiveness of marketing ⇒ Bring in additional patrons from off post	<b>W-O ACTIONS</b> ⇒ Institute a quality culture ⇒ Lobby for regulatory changes and adequate APR resources ⇒ Develop and implement effective quality plan to include reengineering actions ⇒ Improve customer information ⇒ Develop plan to improve access to the installation ⇒ Educate the Command on the value of MWR services ⇒ Cut programs to save money
<b>THREATS (T)</b> ⇒ Desire of senior personnel and even single soldiers to live off post, which reduces their use of on-post activities ⇒ Explosion of retail and commercial outlets ⇒ Closed post, which restricts access for off-post patrons ⇒ No public advertising on post	<b>S-T ACTIONS</b> ⇒ Get regulatory relief to harness demand off post ⇒ Educate customer about value pricing to dispel notion of high prices—contrast prices and launch public relations campaign to keep dollars on post; improve packaging ⇒ Meet and exceed customer service expectations—provide employee training and rewards, develop operational standards, and survey non customers	<b>W-T ACTIONS</b> ⇒ Expand patronage to currently excluded market ⇒ Cost comparison ⇒ Market/communicate positives—explain MWR ⇒ Increase marketing promotions—corporate logo roll out ⇒ Cross-promote MWR programs

**Figure 2.**

## **Formulating the Strategic Business Plan Component**

The previous planning components provided the MWR Planning Team with information and options for deciding where the organization is going and how it is going to get there. This component, Formulating the Strategic Business Plan, provided an organized decision-making process for developing an integrated and realistic plan. The process moved from a succinct statement of mission and a clear picture of a desired future state of affairs (vision), to performance-based goals. The team developed guidance for the organization's program and activity managers to implement the plan, as well as a realistic, time-phased supporting program for capital improvements.

### **MISSION AND VISION STATEMENTS**

The team reviewed its Fort Monmouth MWR mission statement in light of vision statements and strategic plans from the installation, Army Materiel Command (AMC), and Headquarters, Department of the Army. It then reviewed planning assumptions and determined that significant changes to its mission and vision statements were required. The revised statements are at page 1 of this summary.

### **GOALS AND OBJECTIVES**

Requirements from the mission and vision statements, and AMC policies and directed actions, were combined with the results of the SWOT analysis and composite evaluation. Actions identified in the SWOT analysis were grouped by category to define strategic organizational goals. Supporting objectives and descriptive statements for each goal developed.

### **IMPLEMENTATION GUIDANCE**

Primary responsibility for each objective was assigned to a specific individual or group and a time for its completion established. In several instances, additional individuals or teams were identified to provide assistance and input. Results are documented in Table 1.

### **CAPITAL IMPROVEMENTS PROGRAM**

After reviewing the MWR goals and objectives and considering existing facility deficiencies, the Fort Monmouth Installation Master Plan, major construction planning guidance, and projected availability of resources, the team developed its Capital Improvements Program, shown in Figure 3, which summarizes the MWR major investment plans.

<b>FORT MONMOUTH CAPITAL IMPROVEMENTS PROGRAM</b>								
Capital Improvement	Objective Reference	Estimated Cost (\$000)	Funding Source	Funding Requirements (\$000)				
				FY96	FY97	FY98	FY99	FY2000
SAS Wing	4	\$1,850	NAF		\$1,850			
Convention Center	4	\$1,600	APF			\$1,600		
PFC Expansion	4	\$1,000	APF				\$1,000	
Officer's Club Expansion	4	\$1,500	NAF				\$1,500	
Atrium Lane Hall	4	\$280	NAF	\$280				
19th Hole	4	\$250	NAF		\$250			
Expand Pool	4	\$500	NAF					\$500

**Figure 3.****CONTINGENCY PLANS**

Requirements for contingency plans were reviewed. Because the installation no longer billets major troop units nor has any deployment responsibilities, none of the traditional movement contingencies are applicable. The installation has not assigned the Directorate any weather-related contingencies. However, as a direct result of major budgetary and weather interruptions to MWR programs and services from October 1995 to January 1996, both funding and weather contingencies will be evaluated for development of basic contingency plans.

**Formulating, Monitoring, and Evaluating Operational Business Plans Components**

The MWR Strategic Business Plan described in this summary was completed using the first four components. That plan provides the guidance necessary for subordinate program and activity managers to develop their operational business and functional support plans with a one-year planning horizon, as described in the Formulating Operational Business Plans component. Additional guidance and operational-level actions were brainstormed during the facilitated strategic planning sessions, particularly during the SWOT analysis. The final component, Monitoring and Evaluating Plan Implementation, ties together the Directorate's strategic plan and the program and activity managers' operational plans with a structured review process to assure planned progress is either being accomplished or appropriate actions initiated. Quarterly Directorate status meetings will provide the principle assessment vehicle.

## **FUTURE DIRECTIONS**

Significant input to this strategic business plan came from the FY95 Fort Monmouth Leisure Needs Survey, a major service provided by CFSC, which polls and reports on Fort Monmouth's MWR customers' preferences and use of programs and services every three years. CFSC anticipates beginning to field an improved LNS in FY96, which should result in a new Fort Monmouth LNS during FY97. Those results will be reviewed to determine whether sufficient change has occurred in customer input to warrant renewed planning. Evaluation for renewed effort will also take place during the periodic monitoring processes described in the Monitoring and Evaluating Plan Implementation Component. If no change occurs in the operating environment sufficient to warrant a completely new plan, this strategic planning document is assumed to have a five-year planning horizon.

## APPENDIX B

# Blank Morale, Welfare, and Recreation Strategic Planning Forms

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<b>FORM 2-1.</b> <b>POLICIES, REGULATIONS, MISSION, AND LAWS WORKSHEET</b>		
Environmental Subelement	Key Information	Opportunity (O)/ Threat (T)
Army Policies and Regulations		
Installation Policies and Mission		
State and Local Laws		

**FORM 2-2.**  
**INSTALLATION AND COMMUNITY PROFILES WORKSHEET**

Environmental Subelement	Key Information	Opportunity (O)/ Threat (T)
Local Demographic Information		
Land Use and Development Data		
Key Physical Attributes		
Social and Cultural Attributes		
Local Economy		

**FORM 2-3.**  
**BUSINESS AND INDUSTRY STANDARDS AND TRENDS WORKSHEET**

Environmental Subelement	Key Information	Opportunity (O)/ Threat (T)
Technology Assessment		
Business Practices and Delivery Systems		
Leisure-Industry Outlook/Projections		
Business Operating Performance Measures and Standards		

**FORM 2-4.**  
**ENVIRONMENTAL ANALYSIS SUMMARY WORKSHEET**

MWR Mission:

Environmental Element	Subelement	Opportunities	Threats
Policies, Regulations, Mission, and Laws	Army Policies and Regulations  Installation Policies and Regulations  State and Local Laws		
Installation and Community Profiles	Demographics  Land Use and Development  Key Physical Attributes  Social and Cultural Attributes  Local Economy		
Business and Industry Standards and Trends	Technology Assessment  Delivery Systems  Industry Projections  Operating Standards		

**FORM 2-5.**  
**CURRENT SUPPORTED POPULATION WORKSHEET**  
YEAR \_\_\_\_\_

Population Component	Totals	Lifestyle/Status					Children by Age (years)		
		Single	Single Parent	Married/Children	Married with No Children	Total Spouses	< 5	≥ 5 and < 18	≥ 18
I. Active Duty Military									
Officer/Warrant									
Enlisted									
E1-E4									
E5-E9									
II. Retirees, Survivors, Others									
III. DoD Civilian Employees									
≤ GS-9 (Equivalent)									
≥ GS-10 (Equivalent)									
IV. Students/Trainees									
Officers									
Enlisted									
V. Average Daily Reservists (high 3 mos.)									
VI. Other Segments (Non-DoD Civilians)									
Grand Total =									

**FORM 2-6.**  
**PROJECTED SUPPORTED POPULATION WORKSHEET**

Population Segment	Current Year ____		Projected Year ____		Percent Population Change
	Totals	Percent Living On Post	Totals	Percent Living On Post	
Military Community					
Active Duty Military					
AD Family Members					
Civilians					
Retirees					
USAR/NG					
Others					
Total Military Community					
Local Community					

**FORM 2-7.**  
**PERFORMANCE MEASURES AND STANDARDS WORKSHEET**

Activity	Source	Performance Measure	Performance Standard	Financial Indicator



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**FORM 3-1.**  
**PRIMARY AND SECONDARY MARKET SEGMENT WORKSHEET**

MWR Program/ Activity	Total Market	Primary Market	Secondary Market

[illegible]

**FORM 3-3.**  
**CUSTOMER PROFILE WORKSHEET**

MWR Program:

Demographic Segments	Eligible Users (a)	Nonusers (b)	Actual Users			Market Share $\left( \frac{c}{c + d} \right)$
			On Post (c)	Off Post (d)	Total (c + d)	
<b>Gender</b>						
Male						
Female						
<b>Residence</b>						
Barracks/BOQ						
Military Housing on Post						
Military Housing off Post						
Civilian Housing < 30 Minutes Away						
Civilian Housing ≥ 30 Minutes Away						



**FORM 3-4**  
**PROGRAMS AND FACILITIES ANALYSIS WORKSHEET**

Program Area:

Program Factors	Previous Survey Condition or Standard	Current Condition Status/Performance	Strength (S) or Weakness (W)/Major Issues
Facilities			
Staffing			
Equipment			
Site and Accessibility			
Activities Supported			

<b>FORM 3-4. (cont.)</b> <b>PROGRAMS AND FACILITIES ANALYSIS WORKSHEET</b>			
Program Area:			
Program Factors	Previous Survey Condition or Standard	Current Condition Status/Performance	Strength (S) or Weakness (W)/Major Issues
Fees and Charges			
Functional Performance			
Financial Performance			
Operating Hours			
Usage			



**FORM 3-5.  
COMPETITIVE ANALYSIS WORKSHEET**

Program/Facility:

Number of Competitors (circle one): 1   2   3   or more

(For 3 or fewer competitors, list in priority order; for 4 or more competitors, list top 3 and the average.)

Competition Factor	Competitor			Area Average
	#1	#2	#3	
Name of Competitor				
Miles from Installation				
Price/Fees				
Quality Ratings (Enter competition's rating using a scale of 1 [better than you], 2 [equal to you], or 3 [worse than you])				
Quality of Facility				
Quality of Equipment/ Furnishings/ Product/Service				
Quality of Personnel (Customer Service)				
Location				
Price				
Average Competitive Score				
What do customers like about this competitor?				
What are the competitor's major problems?				

**FORM 3-6.  
COMPETITIVE ANALYSIS SUMMARY**

[illegible]

<p><b>Note:</b> MWR activities are listed according to their competitiveness, as described below.</p> <p>1 = competition is better than installation</p> <p>2 = competition is equal to installation</p> <p>3 = competition is worse than installation</p>
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[illegible]

**FORM 3-8.**

## TOTAL OPERATING COST AND NET INCOME PER OPERATING HOUR WORKSHEET

[illegible]

Note:

$$d = a \text{ divided by } c$$
$$e = b \text{ divided by } c$$

[illegible]



<b>FORM 4-1.</b> <b>COMPOSITE ANALYSIS WORKSHEET</b> <b>(RAW DATA)</b>
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[illegible]



**FORM 4-2.**  
**PAIRED COMPARISON WORKSHEET**

INDICATOR	1.	2.	3.	4.	5.	6.	7.	8.	9.	SUM
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
Total Responses										
Relative Weight = Indicator Sum divided by Total Responses										
Rank Order										

<b>FORM 4-3.</b> <b>COMPOSITE ANALYSIS WORKSHEET</b> <b>(FINAL)</b>
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[illegible]

**FORM 4-4.**  
**PLANNING PROJECTIONS AND ASSUMPTIONS WORKSHEET**

Planning Factors	Projection	Assumptions
Population		
Available Resources		
Leisure Trends		
Local Economy/ Environment		
Usage/ Demand for MWR Programs		
Mission		

**FORM 4-5.**  
**SWOT MATRIX WORKSHEET**

<div style="text-align: center;"><i>Internal Factors</i></div> <div style="text-align: center;"><i>External Factors</i></div>	<b>STRENGTHS (S)</b>	<b>WEAKNESSES (W)</b>
	<b>OPPORTUNITIES (O)</b>	<b>S-O ACTIONS</b>
<b>THREATS (T)</b>	<b>S-T ACTIONS</b>	<b>W-T ACTIONS</b>



**FORM 5-1.**  
**MISSION STATEMENT WORKSHEET**

**Mission:**

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Keys to writing and evaluating a mission statement:

1. Brief.
2. Commitment to economic efficiency.
3. Broad statement of products and services offered.
4. Unique or distinctive in some way.
5. Consistent with headquarters' missions.
6. Market served geographically.
7. Continuous in nature.
8. Understandable.

**FORM 5-2.**  
**GOALS DEVELOPMENT WORKSHEET**

	Leadership	Information	Strategic Planning	Human Resources	Process Management	Business Results	Customer Focus
SWOT							
Composite Analysis							
Installation Mandates							
MACOM Mandates							

**FORM 5-3.  
GOALS STATEMENT WORKSHEET**

Leadership	
Information	
Strategic Planning	
Human Resources	
Process Management	
Business Results	
Customer Focus	



**FORM 5-4.**  
**OBJECTIVES WRITING WORKSHEET**

Strategic Goal:

Objective:

Objective:

Objective:

Objective:

Objective:

Objective:

Objective:

Objective:

**Criteria for a Good Objective:**

1. Specific. Deals with a single key result to be accomplished.
2. Measurable, trackable. Can tell if it is accomplished.
3. Result-centered, not activity-centered.
4. Short, simple, to the point, and understandable.
5. Quantified if possible. Has a number in it.
6. Time-bounded. Specifies a date for accomplishment.
7. Begins with "to" and an action verb.
8. Realistic and sufficient. Neither too hard nor too easy.
9. Consistent with higher headquarters' objectives.
10. Consistent with unit mission and strategic goals.

**FORM 5-5.**  
**GOAL-OBJECTIVE-TASK WORKSHEET**

Goal:

Project Completion Date:

Objectives	Proposed Completion Date	Person/ Organization Responsible	Principal Coordination	Cost
Total Cost:				

**FORM 5-6.**  
**CAPITAL IMPROVEMENTS PROGRAM WORKSHEET**

Capital Improvement	Objective Reference	Cost (\$000)	Funding Source	Funding Requirements (\$000)				
				FY__	FY__	FY__	FY__	FY__
Totals								

